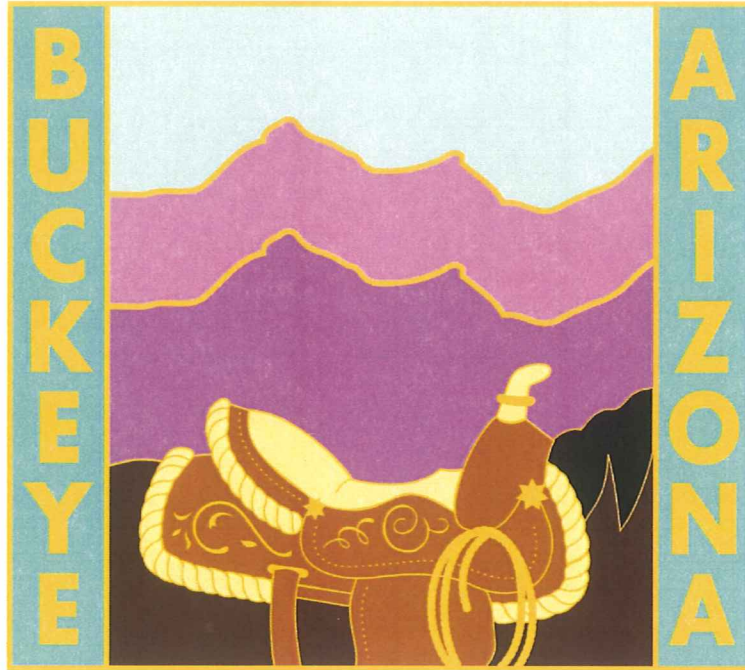


# TOWN OF BUCKEYE, ARIZONA



## Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2006





TOWN OF BUCKEYE, ARIZONA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2006

Prepared by  
Finance Department

TOWN OF BUCKEYE, ARIZONA  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED JUNE 30, 2006

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED JUNE 30, 2006

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TOWN OF BUCKEYE, ARIZONA  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED JUNE 30, 2006

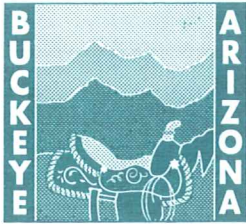
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## **INTRODUCTORY SECTION**

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## Town of Buckeye

February 16, 2007

The Honorable Town Council  
and Citizens of the Town of Buckeye, Arizona

To the Town Council and the Citizens of the Town of Buckeye, the Finance Department respectfully submits the Town of Buckeye's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2006.

### CAFR COMPOSITION

This report consists of management's representations concerning the finances of the Town of Buckeye in the form of financial statements. The responsibility for the accuracy, completeness, and fairness of the presented data, including all disclosures and notes, rests with the management of the Town of Buckeye. To the best of our knowledge and belief, the data presented is accurate in all material respects. It is presented in a manner designed to fairly set forth the financial position and results of operations of the Town as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial affairs have been included.

A CAFR consists of three main sections: the Introductory Section, the Financial Section, and the Statistical Section.

The Introductory Section includes this transmittal letter and an organizational chart that lists the major divisions, components, and mechanisms of the Town. This section is intended to familiarize the reader with the Town of Buckeye's organization structure, nature and scope of provided services, and specifics of its operating environment. The information in this section should provide adequate background and sufficient context to assist the reader with the Financial Section of this CAFR.

The Financial Section contains all financial statements and supplemental information required to be disclosed by United States Generally Accepted Accounting Principles (GAAP) and Arizona State Law, as well as information on all individual funds. Also in this section is other useful supplementary information that is not required by GAAP or Arizona State Law to represent a financial overview of the Town of Buckeye. This section is parceled into six parts:

- (1) Independent Auditor's Report,
- (2) Management's Discussion and Analysis (MD&A),
- (3) The Basic Financial Statements (BFS),
- (4) Notes to the Basic Financial Statements,
- (5) Required Supplementary Information, and
- (6) Combining, Individual Fund Financial Statements and Schedules.

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis* (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

The Statistical Section is unaudited. It includes various tables and charts that reflect financial, economic, social, and demographic information about the Town of Buckeye that are *interesting and relevant* to assessing the Town's financial condition. This section is intended to assist the reader in understanding the environment in which the Town operates.

## **OTHER REPORTING REQUIREMENTS**

The Town of Buckeye is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendment of 1996, and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including a schedule of expenditures of federal awards, findings and questioned costs, and an independent auditor's report on compliance with applicable laws, regulations, contracts, and grant agreements applicable to each major program and on internal control over compliance are included under a separate cover. The State of Arizona also requires additional supplemental information in the form of a report entitled "Expenditure Limitation Report" to be completed. This report is also under a separate cover.

## **THE REPORTING ENTITY**

Town Profile: Founded in 1888, this western-most community of the Valley of the Sun is home to over 20,000 people. For the past 20 years, growth in the greater Phoenix area has been robust in three of our four quadrants of the region. With those areas rapidly nearing build out, the last frontier rests in the southwest valley and the Town of Buckeye. Town planners project that it will take at least 30 years for the nearly 600-mile planning that stretches from almost Wickenburg to Gila Bend, the Hassayampa River to Perryville Road, to be built out.

Currently there are over 240,000 homes planned in Buckeye. Given the size and number of the master planned developments within the Town limits, the population will explode to over 100,000 by the year 2010. Along with homes, there are world-class retail, entertainment, health care, education, and employment uses planned. Buckeye is fortunate to be intersected by five highways, home to a general aviation airport, and served by the railroad. Virtually every major mode of transportation makes Buckeye accessible from multiple points. In addition to this, the Town of Buckeye sits on the state's largest untapped groundwater aquifer, the Hassayampa River Basin, and the majestic view of the White Tank Mountains from every vantage point creates a unique and unparalleled landscape.

Located just 35 miles west of Phoenix makes the Town convenient for work, sightseeing, and an exciting night life, yet far enough away to retain a comfortable small town feeling. Therefore, residents can take advantage of the amenities found in a metropolitan city and throughout its western suburbs, and then return to the quiet comforts of home. This once sleepy agricultural town is at the dawn of a new era, and those residents who are proud to call Buckeye home have found a great place to live, work, and discover the best that Arizona has to offer. {Courtesy of Buckeye Chamber of Commerce}



Organization: The Town operates under a council-manager form of government. The Town Council consists of six members elected at large for staggered four-year terms. The elected Mayor is the seventh voting member of the council, who, is elected on a non-partisan basis. The Town Council is responsible for passing ordinances, adopting the budget, appointing members of commissions and hiring the Town Manager. The Town Manager carries out the policies and ordinances of the Town Council, oversees the day-to-day operations of the Town and appoints the various department heads.

The Town provides an ample full range of municipal services. These include public safety (police, fire, and municipal court), street construction and maintenance, water and wastewater utility services, sanitation and residential refuse collection, parks, recreation and culture, planning and zoning, and general administrative and support services.

Entity defined: The Town of Buckeye includes in its financial statements all funds, agencies, trusts, boards, commissions, and authorities for which the Town Council is financially accountable. In accordance to Governmental Accounting Standards Board (GASB) No. 14, The Financial Reporting Entity: financially accountable includes, but is not limited to, selection of governing authority, designation of management, ability to significantly influence operations, financial interdependence, and accountability for fiscal matters.

Various school districts and certain special districts within the Town of Buckeye are governed independently. The financial statements of these districts are not included in this report except to reflect amounts held in an agency / trust capacity by the Town Treasurer.

## **FINANCIAL INFORMATION**

Accounting Policy: The Town of Buckeye maintains accounts in accordance with the principles of fund accounting to ensure that limitations and restrictions on the Town's available resources are observed and adhered to. Fund accounting classifies resources into funds with respect to the intended activities or objectives specified by those resources for accounting controls and financial reporting purposes. Each fund is an independent fiscal and accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that are comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses.

There is no limit to the number of funds that a government may establish and maintain for accounting and financial reporting. A generally practiced governmental accounting guideline is that a government should use the smallest number of individual funds as possible, consistent with its particular circumstances, and that individual funds are closed when its intended purpose is no longer operating. A description of the fund categories used by the Town follows.

Governmental Funds: These funds are used to account for all of the Town's expendable financial resources, except for those reported in the Internal Service funds. The measurement focus is on determination of financial position rather than determination of income. The modified accrual basis of accounting is used for these funds. The Town's General, Special Revenue, Debt Service, and Capital Project funds are all classified as this fund type.

**General Fund:** The General Fund is the primary operating fund. It accounts for all financial resources of the Town of Buckeye, except for those that are required, either by rule of statute or GAAP, to be accounted for elsewhere, or chosen to do so for internal tracking purposes.

**Special Revenue Funds:** Special Revenue Funds account for unique revenue sources that are legally restricted by statute, ordinance, or other specific requirements to finance specific functions or activities. The Town of Buckeye has exercised the approach of establishing a different special revenue fund for each unique funding source.

**Debt Service Funds:** These funds are used to account for the resources that are accumulated for the payment of interest, principal, and related costs on long-term debt, special assessments, and capital leases. This fund type is not used to account for the outstanding debt itself.

**Capital Projects Funds:** The Town of Buckeye uses Capital Project Funds to account for the acquisition and construction of major capital activities, and establishes a separate fund for each individual construction project or revenue source. The majority of these funds' compositions have similar imposed restrictions to that of the Special Revenue Funds, but due to their capital nature they are accounted for as Capital Projects Funds.

Proprietary Funds: These funds are used to account for the Town's ongoing activities that can be viewed as similar to the private sector. Measurement focus is based on the determination of income, financial position, and changes in financial position. The full accrual basis of accounting is used for these funds.

**Enterprise Funds:** The Town of Buckeye uses Enterprise Funds to account for its Water Utility and Wastewater Treatment operations.

Fiduciary Funds: These funds are used to account for assets held by the Town in a trustee or agency capacity. Fiduciary funds account for assets held by the Town Treasurer on behalf of others and are either Investment Trust funds or Agency funds which are custodial in nature and do not involve measurement of results of operations. The accrual basis of accounting is used for these funds.

Internal Control: In regards to accounting, internal controls are designed to provide reasonable (not absolute) assurance that:

- (1) Assets are safeguarded against loss from unauthorized use, theft, or disposition; and
- (2) Financial records are reliable for preparing financial statements and maintaining accountability for assets.

Implemented internal control mechanisms should recognize that the cost for maintaining control procedures should not exceed the benefit derived as a result from their adherence. The evaluation of costs and benefits requires estimates and judgments by the Town's management. It should also be recognized that all internal control policies and procedures are inherently vulnerable to conspiracy, collusion, and deliberate management override.



## **BUDGETARY CONTROLS**

The Town of Buckeye complies with Arizona State Statute by operating under a balanced budget and appropriating all available resources. The Town also stays within State regulated levy and expenditure limitations. With this principle, the measure of financial performance is monitored by the realization of estimated revenues and by abiding by the appropriations established during the budget year.

Budgetary Basis: The Town of Buckeye prepares its budget with accounting principles consistent with its financial reporting methods. Revenues are recognized when they are both available and measurable. Expenditure accruals are set for 60 days after the fiscal year end. Open encumbrances lapse at fiscal year end.

Budget Administration: The Town of Buckeye's administration monitors the Town's budget at the fund level for Special Revenue and Debt Service Funds. The General Fund and Capital Project Funds are monitored at the Department and Project Level, respectively. The budget is modified throughout the year as certain additional resources become available or anticipated resources dissipate, if permitted under A.R.S. This methodology ensures that all available resources are accounted for with appropriate budgetary controls, and only available resources are disbursed or encumbered.

## **INDEPENDENT AUDIT**

Pursuant to Arizona Revised Statutes, Section 9-481, the Town has engaged the accounting firm Cronstrom, Osuch & Company, P.C. to perform an audit of the Town of Buckeye's financial statements for fiscal year ending June 30, 2006. The results of this audit are outlined in the Independent Auditor's Report that is included in the Financial Section.

## **AWARDS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Buckeye for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005.

This was the **First** year that the Town of Buckeye has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town of Buckeye published an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must also satisfy both General Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ACKNOWLEDGMENTS

The presentation of this report would not have been possible without the efficient, effective, dedicated, and supportive services of the entire staff of the Finance Department. Their bestowed efforts to enhance procedures, ensure accuracy, improve systems, and conduct extensive research have allowed for the completion of the annual audit and this report.

We would like to express our appreciation to all members of all other agencies that assisted and contributed to the preparation of this report. Credit also must be given to the Town Council and the Administration for their unsurpassable support for maintaining and strengthening the utmost standards of professionalism in the management of the Town.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'D. W. Allen', with a stylized flourish underneath.

Douglas W. Allen  
Director – Finance

TOWN OF BUCKEYE, ARIZONA  
**LIST OF PRINCIPAL OFFICIALS**  
FISCAL YEAR ENDED JUNE 30, 2006

Dusty Hull  
*Mayor*

Chris Urwiller  
*Vice Mayor*

Levi Beard  
*Councilmember*

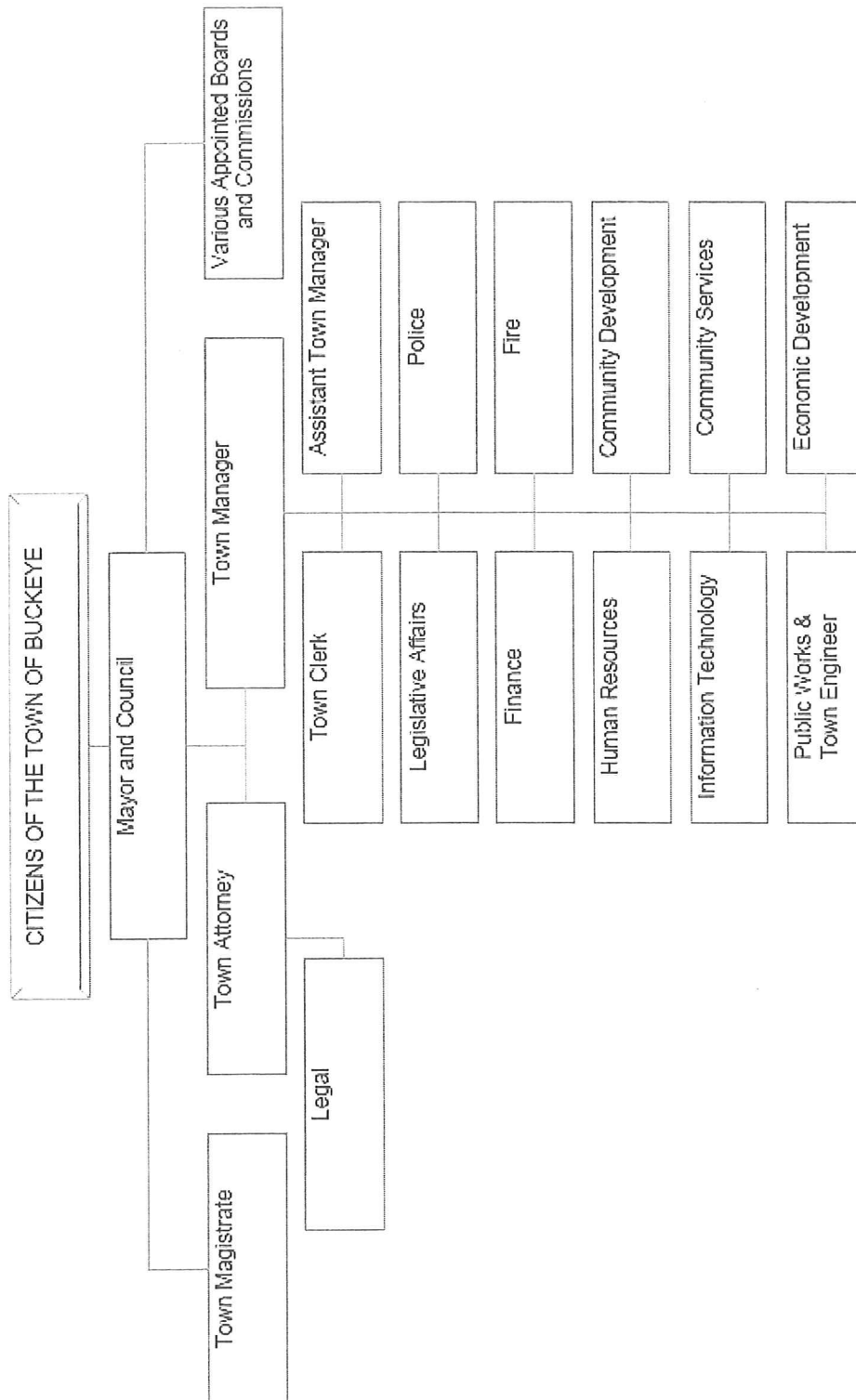
Dr. Bob Doster  
*Councilmember*

Robert Garza  
*Councilmember*

Elaine May  
*Councilmember*

Jackie Meck  
*Councilmember*

TOWN OF BUCKEYE, ARIZONA  
ORGANIZATIONAL CHART  
JUNE 30, 2006



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Buckeye  
Arizona

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and the Town Council of the  
Town of Buckeye, Arizona

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Buckeye, Arizona (Town), as of and for the year ended June 30, 2006, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Buckeye, Arizona, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 15 - 26 and the Public Safety Personnel Retirement System Schedule of Funding Progress on page 70 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2007 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Cronstrom, Osuch & Company, P.C.*

Cronstrom, Osuch & Company, P.C.

February 16, 2007



## **Management's Discussion and Analysis**

As management of the Town of Buckeye, Arizona, we are pleased to provide an overview of our financial activities for the fiscal year ended June 30, 2006. The intended purpose of Management's Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities, the sources, uses, and changes in resources, adherence to budget, service levels, limitations, significant economic factors, and the status of infrastructure and its impacts on our debt and operation. When referring to prior year data in this analysis we will be drawing upon information from last years' audited financial reports.

### **Financial Highlights**

- ◆ The assets of the Town of Buckeye, Arizona exceeded its liabilities at the close of the most recent fiscal year by \$155,953,168 (net assets). Of this amount \$81,216,433 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ As of the close of the current fiscal year, the Town of Buckeye, Arizona's governmental funds reported combined ending fund balances of \$99,397,966, an increase of \$59,853,828 in comparison with the prior year. This increase was mainly due to the Town issuing bonds and carrying forward a portion of the proceeds.
- ◆ At the end of the current fiscal year, unreserved fund balance for the General Fund was \$19,867,167 or 66 percent of total general fund expenditures.
- ◆ General Fund revenues (on a budgetary basis) exceeded budgeted revenues by \$17,226,814 for the fiscal year ending June 30, 2006. Additionally, budgetary basis expenditures exceeded the final budget by \$1,243,565.
- ◆ General Fund revenues exceeded expenditures by \$11,425,131; a positive variance of \$15,983,249 from the original budget.
- ◆ The Town includes one type of separate legal entity in its report - Community Facilities Districts. Although legally separate, these "component units" are important because the Town is financially accountable for them. A description of these component units is available in Note 1 on page 43. Separate financial statements are not available for these entities.

### **Overview of the Financial Statements**

The financial section of the Comprehensive Annual Financial Report (CAFR) for the Town of Buckeye, Arizona consists of this discussion and analysis, the basic financial statements and the required supplementary schedules presented after the basic financial statements. The basic financial statements include the government-wide financial statements, fund financial statements, including the budgetary statements for the General Fund, and notes to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Buckeye, Arizona's finances, in a manner similar to private-sector business.

The statement of net assets presents information on all of the Town of Buckeye, Arizona's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as useful indicators of whether the financial position of the Town of Buckeye, Arizona is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Buckeye, Arizona that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of Buckeye, Arizona include general government, public safety, highways and streets, culture and recreation, community development, economic development, and health and welfare. The business-type activities include the Town's water and sewer operations.

The government-wide financial statements can be found on pages 28 - 29 of this report.

**Fund financial statements.** Also presented are the traditional fund financial statements for governmental funds. The fund financial statements now focus on major funds of the Town. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Buckeye, Arizona, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Buckeye, Arizona can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Since the governmental fund financial statements focus on near-term expendable resources, while the governmental activities on the government-wide financial statements have a longer term focus, a reconciliation of the differences between the two is provided with the fund financial statements.

The basic governmental fund financial statements can be found on pages 30 - 35 of this report.



**Proprietary funds.** The Town of Buckeye, Arizona maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Buckeye, Arizona uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Funds of the Town of Buckeye, Arizona.

The basic proprietary fund financial statements can be found on pages 36 - 39 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Buckeye, Arizona's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 40 - 41 of this report.

**Notes to the basic financial statements.** The notes to the basic financial statements (pages 43 - 67) provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and should be read with the financial statements.

**Required supplementary information other than MD&A.** Governments have an option of including the budgetary comparison statements for the general fund and major special revenue funds as either part of the fund financial statements within the basic financial statements, or as required supplementary information after the footnotes. The Town has chosen to present these budgetary statements as part of the basic financial statements. Additionally, governments are required to disclose certain information about employee pension funds. The Town has disclosed this information in Note 4.E. to the basic financial statements and required supplementary information on page 70.

### **Government-wide Financial Analysis**

Net assets may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Assets of the Town for June 30, 2006 showing that assets exceeded liabilities by \$155,953,168.

Town of Buckeye, Arizona  
Condensed Statement of Net Assets  
June 30, 2006 and 2005

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
ASSETS						
Current and other assets	\$ 201,157,581	\$ 74,828,870	\$ 14,073,933	\$ 6,327,786	\$ 215,231,514	\$ 81,156,656
Capital assets						
Non-depreciable	12,812,825	4,791,225	24,503,097	5,297,850	37,315,922	10,089,075
Depreciable (net)	<u>57,930,950</u>	<u>48,451,602</u>	<u>22,671,610</u>	<u>20,623,312</u>	<u>80,602,560</u>	<u>69,074,914</u>
Total assets	<u>271,901,356</u>	<u>128,071,697</u>	<u>61,248,640</u>	<u>32,248,948</u>	<u>333,149,996</u>	<u>160,320,645</u>
LIABILITIES						
Other liabilities	22,704,965	6,524,451	750,065	937,787	23,455,030	7,462,238
Non-current liabilities						
Due within one year	3,339,050	1,406,758	131,239	105,350	3,470,289	1,512,108
Due in more than one year	<u>147,942,471</u>	<u>79,667,057</u>	<u>2,329,038</u>	<u>2,415,731</u>	<u>150,271,509</u>	<u>82,082,788</u>
Total liabilities	<u>173,986,486</u>	<u>87,598,266</u>	<u>3,210,342</u>	<u>3,458,868</u>	<u>177,196,828</u>	<u>91,057,134</u>
NET ASSETS						
Invested in capital assets, net of related debt	525,156	(10,645,987)	44,788,086	23,451,396	45,313,242	12,805,409
Restricted	29,423,493	9,137,217	-	-	29,423,493	9,137,217
Unrestricted	<u>67,966,221</u>	<u>41,982,201</u>	<u>13,250,212</u>	<u>5,338,684</u>	<u>81,216,433</u>	<u>47,320,885</u>
Total net assets	<u>\$ 97,914,870</u>	<u>\$ 40,473,431</u>	<u>\$ 58,038,298</u>	<u>\$ 28,790,080</u>	<u>\$ 155,953,168</u>	<u>\$ 69,263,511</u>

The net assets of the Town are \$155,953,168 in fiscal year 2006 for both governmental and business-type activities.

Net assets consists of three components. One portion of the Town of Buckeye, Arizona's net assets (29%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Buckeye, Arizona uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Buckeye, Arizona's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Buckeye, Arizona's net assets (19%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$81,216,433) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Buckeye, Arizona is able to report positive balances in all three categories of net assets for the government as a whole.



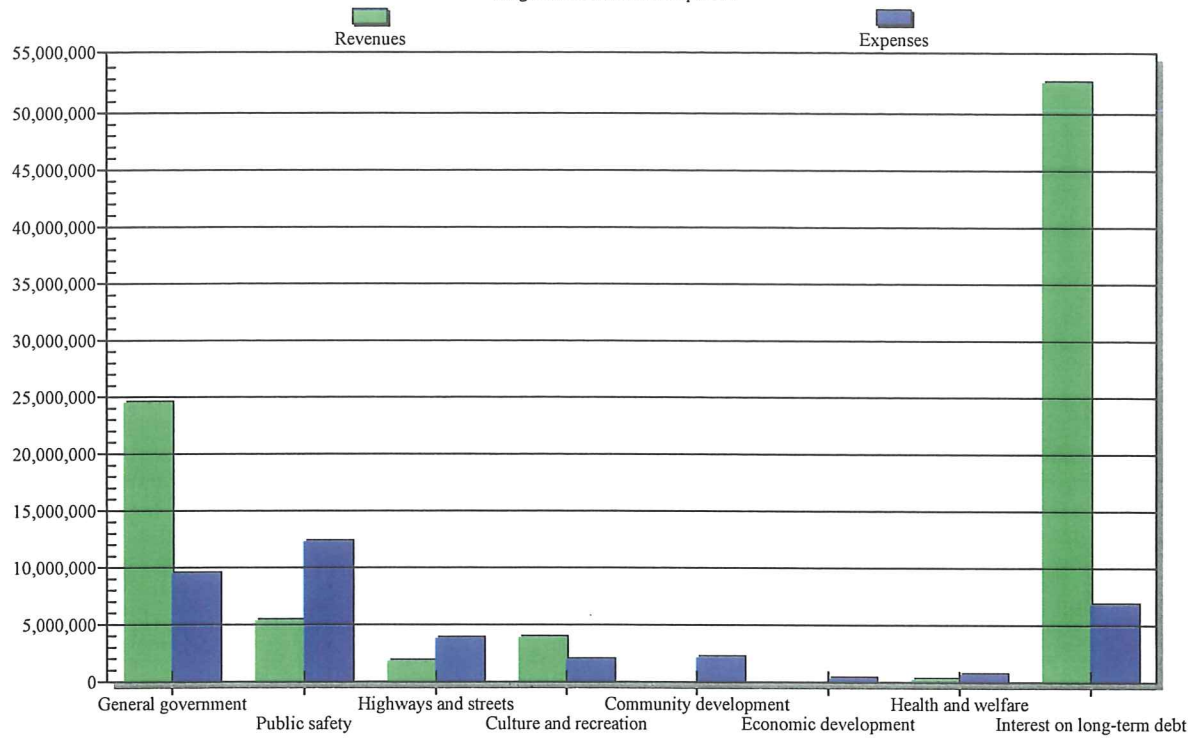
Town of Buckeye, Arizona  
Changes in Net Assets  
For the Fiscal Years Ended June 30, 2006 and 2005

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues						
Fees, fines and charges for services	\$ 86,441,294	\$ 27,398,221	\$ 15,188,148	\$ 9,898,538	\$ 101,629,442	\$ 37,296,759
Operating grants and contributions	1,322,614	1,374,000	-	-	1,322,614	1,374,000
Capital grants and contributions	622,372	697,975	101,319	1,651,779	723,691	2,349,754
General revenues						
Sales taxes	17,786,048	8,443,984	-	-	17,786,048	8,443,984
Property taxes	3,487,934	1,981,418	-	-	3,487,934	1,981,418
Franchise taxes	508,746	316,422	-	-	508,746	316,422
State shared revenues	2,396,366	1,932,507	-	-	2,396,366	1,932,507
Grants and contributions not restricted	54,008	54,008	-	-	54,008	54,008
Investment earnings	3,175,954	533,612	107,280	14,899	3,283,234	548,511
Other	463,506	193,285	-	-	463,506	193,285
Total revenues	<u>116,258,842</u>	<u>42,925,432</u>	<u>15,396,747</u>	<u>11,565,216</u>	<u>131,655,589</u>	<u>54,490,648</u>
Expenses						
General government	9,444,119	7,470,451	-	-	9,444,119	7,470,451
Public safety	12,245,524	7,596,499	-	-	12,245,524	7,596,499
Highways and streets	3,788,433	2,783,879	-	-	3,788,433	2,783,879
Culture and recreation	1,905,488	1,125,571	-	-	1,905,488	1,125,571
Community development	2,122,344	1,295,799	-	-	2,122,344	1,295,799
Economic development	281,784	314,985	-	-	281,784	314,985
Health and welfare	633,260	501,760	-	-	633,260	501,760
Interest on long-term debt	6,757,025	3,821,751	-	-	6,757,025	3,821,751
Sewer	-	-	2,250,209	1,545,062	2,250,209	1,545,062
Water	-	-	3,902,628	1,871,838	3,902,628	1,871,838
Total expenses	<u>37,177,977</u>	<u>24,910,695</u>	<u>6,152,837</u>	<u>3,416,900</u>	<u>43,330,814</u>	<u>28,327,595</u>
Change in net assets before transfers	79,080,865	18,014,737	9,243,910	8,148,316	88,324,775	26,163,053
Transfers	<u>(21,225,022)</u>	<u>(2,576,367)</u>	<u>21,225,022</u>	<u>2,576,367</u>	<u>-</u>	<u>-</u>
Change in net assets	57,855,843	15,438,370	30,468,932	10,724,683	88,324,775	26,163,053
Net assets at beginning of year, as restated	<u>40,059,027</u>	<u>25,035,061</u>	<u>27,569,366</u>	<u>18,065,397</u>	<u>67,628,393</u>	<u>43,100,458</u>
Total net assets	<u>\$ 97,914,870</u>	<u>\$ 40,473,431</u>	<u>\$ 58,038,298</u>	<u>\$ 28,790,080</u>	<u>\$ 155,953,168</u>	<u>\$ 69,263,511</u>

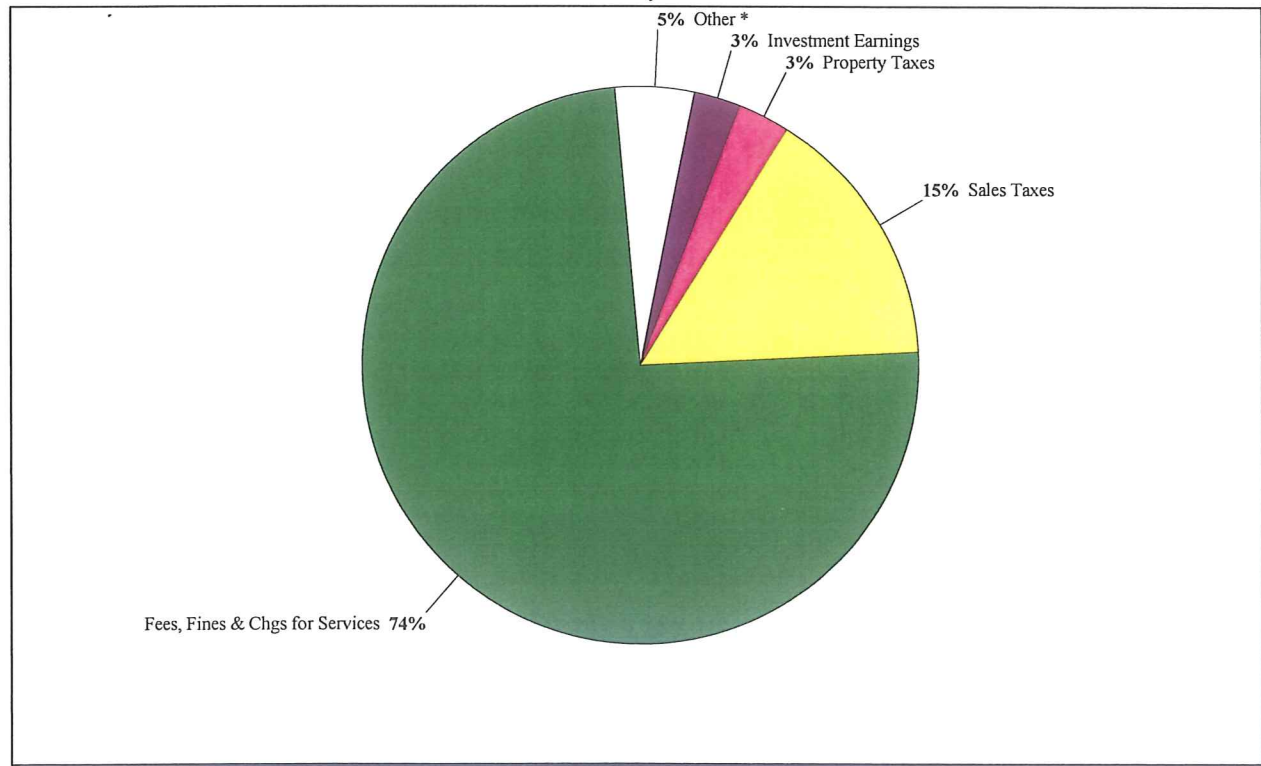
**Governmental activities.** Governmental activities increased the City's net assets by \$57,855,843. Key factors of this increase are as follows:

- ◆ Town's sales taxes increased by \$9,342,064 or 110% during the year. This is due to the opening of new businesses within the Town.
- ◆ General Fund revenues continue to exceed budgeted revenues; this year by \$17,226,814 or 42% due to significant growth within the Town.
- ◆ Property taxes revenues increased by \$1,506,516 or 76%. This is a reflection of the significant growth in the housing area.
- ◆ Investment earnings increased \$2,642,342, mainly due to the Town issuing bonds and carrying forward a portion of the proceeds.

### Governmental Activities Program Revenues and Expenses



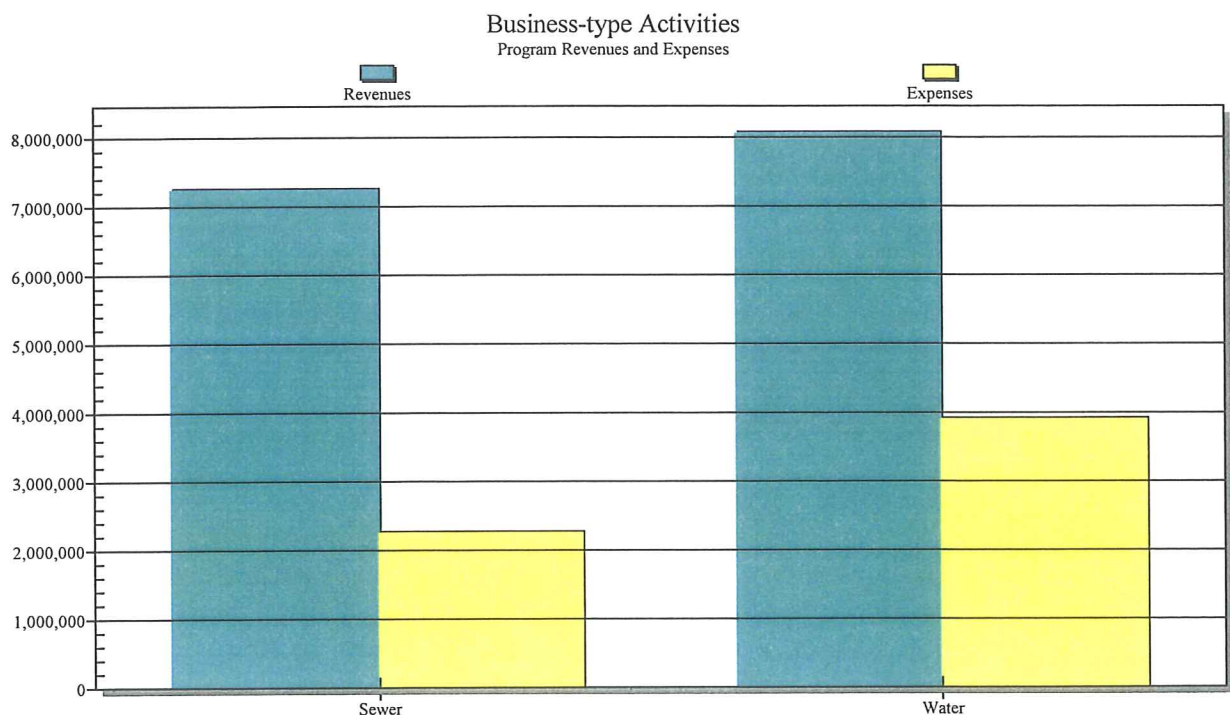
### Governmental Activities Revenues by Source



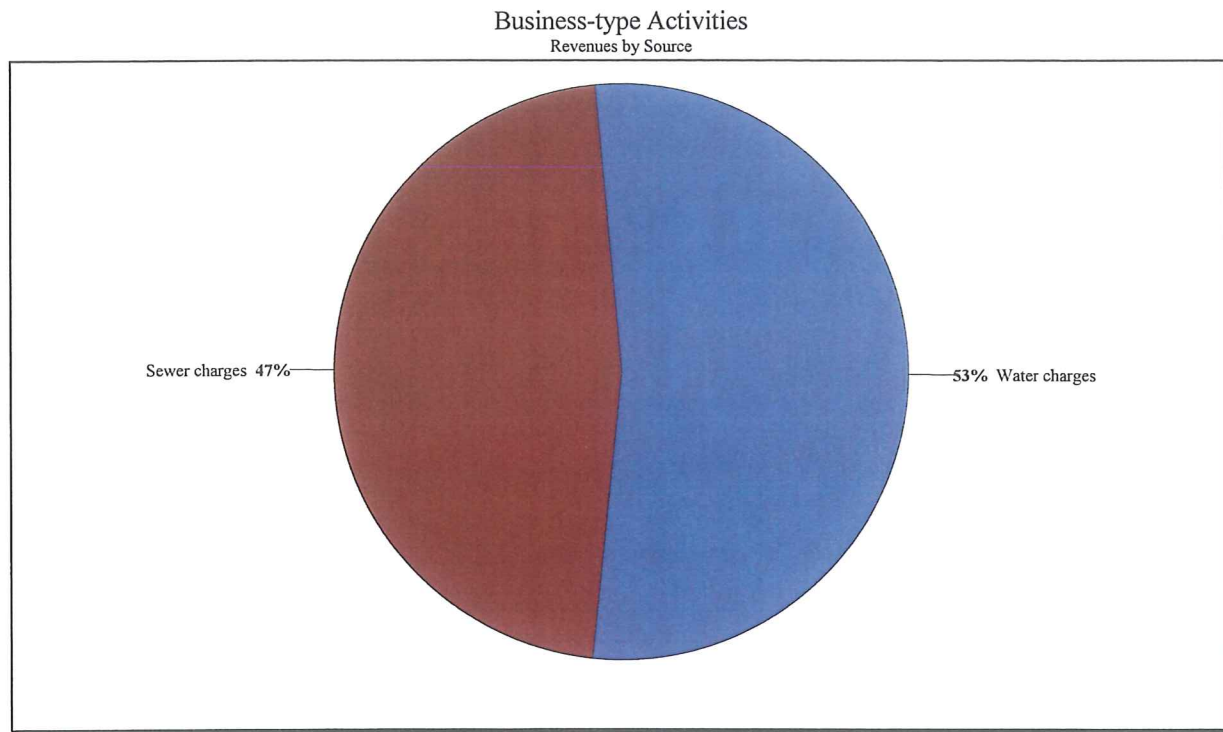
\* Other (0.5%), Franchise Taxes (0.5%), State shared revenues (2.2%), Grants and contributions not restricted (0.1%), capital grants and contributions (0.5%), and operating grants and contributions (1.2%)

The charts on the previous page illustrate the Town's governmental expenses and revenues by function and its revenues by source. As shown, public safety (police, fire, and emergency medical services) is the largest function in expenses, followed by general government, interest on long-term debt, highways and streets, community development, culture and recreation, health and welfare, and economic development. General revenues such as sales taxes are not shown by program but are effectively used to support program activities. Property taxes are primarily used for general operations and for the repayment of long-term debt. For governmental activities as a whole, fees, fines and charges for services are by far the largest source of funds (74%) followed by sales tax revenues (15%).

**Business-type activities.** Business-type activities increased the Town's net assets by \$30,468,932. The primary reason for the increase was revenue received from impact fees and developer agreements.







As shown by the charts above, the largest of the Town's business-type activities is its water operations. Water Fund expenses were just over \$3.9 million with charges for services of approximately \$8.1 million during the fiscal year. The Sewer Fund expenses were approximately \$2.3 million with charges for services of approximately \$7.1 million during the fiscal year.

### **Financial Analysis of the Town's Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal compliance. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the Town include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

As of the end of the current fiscal year the Town's governmental funds reported combined ending fund balances of \$99,397,966, an increase of \$59,853,828 in comparison with the prior year. Approximately 20% of this total amount (\$19,867,167) constitutes General Fund balance, which is available for contribution to the designated, undesignated and reserved fund balances. At fiscal year ended June 30, 2006 fund balances were as follows:

Fund	Balance	Increase From 2004-05
General Fund	\$ 19,867,167	\$ 7,990,188
CFD Debt Service Fund	9,258,121	5,336,287
CFD Capital Projects Fund	37,789,795	28,553,524
Impact Fees	9,015,627	7,180,879
Nonmajor Governmental Funds	23,467,256	10,792,950

The General Fund is the chief operating fund of the Town of Buckeye, Arizona. At the end of the current fiscal year, the fund balance of the General Fund was \$19,867,167, while total fund balance for the Town reached \$99,397,966. As a measure of the General Fund's liquidity, it may be useful to compare both General Fund balance and total fund balance to total fund expenditures. General Fund balance represents 66 percent of total General Fund expenditures, while total fund balance represents 330 percent of that same amount.

The fund balance of the Town of Buckeye, Arizona's General Fund increased by \$7,990,188 during the current fiscal year. Key factors in this change are as follows:

- ◆ Revenues collected increased from last year's by \$17,094,454. This is due to the Town's rapid growth. Sales taxes had the most significant increase of \$10,397,202 followed by charges for services (\$2,072,518) and licenses and permits (\$1,989,400).
- ◆ Although total expenditures and transfers out increased by 65% (\$13,265,815), the revenue increase of 70% contributed to the increase in fund balance.

The CFD Debt Service Fund's fund balance increased by \$5,336,287 during the fiscal year. The change was due mainly to new bond issues with reserve requirements.

The CFD Capital Projects Fund fund balance increased by \$28,553,524 during the fiscal year. The change was due mainly to the Town issuing new bonds and not expending all of the bond proceeds.

The Impact Fees Fund fund balance increased by \$7,180,879. The change was mainly due to a 304% (\$6,767,442) increase in impact fees collected. This is a reflection of growing infrastructure construction.

The Nonmajor Governmental Funds fund balance increased by \$10,792,950 during the fiscal year. The change was due mainly to the Town bond issuance to finance the new town building. All nonmajor governmental funds of the Town are combined into one column on the governmental fund financial statements.

**Proprietary Funds.** The Town of Buckeye, Arizona's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year amounted to \$6,804,235 in the Sewer Fund and \$6,445,977 in the Water Fund.

### **Budgetary Highlights**

The Town's annual budget is the legally adopted expenditure control document of the Town. Budgetary comparison statements are required for the General Fund and all major special revenue funds and may be found on pages 34 - 35. These statements compare the original adopted budget, the budget if amended throughout the fiscal year, and the actual expenditures prepared on a budgetary basis.

General Fund revenues of \$41,405,556, on a budgetary basis, exceeded budgeted revenues of \$24,178,742 by \$17,226,814. However, budgetary basis expenditures of \$29,980,425 exceeded budgeted expenditures by \$1,243,565 due to additional engineering and unbudgeted, but reimbursable garbage collection expenditures. The excess of revenues over budgeted revenues is primarily due to sales taxes, licenses and permits and charges for services exceeding projected expectations.

### **Capital Asset and Debt Administration**

The Town's capital assets for its governmental activities as of June 30, 2006 amount to \$70,743,775 (net of accumulated depreciation), a net increase of 33%. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 3.B.4. for further information regarding capital assets.

Governmental capital assets include land and improvements, buildings and improvements, infrastructure and furniture, machinery and equipment. During fiscal year 2005-06, the annual depreciation expense was \$3,139,214. Additions to capital assets during the fiscal year totaled \$20,640,162.

The major capital asset event during the current fiscal year was the construction of community facilities district assets using bond proceeds. The Town also acquired a number of furniture, machinery and equipment items during the fiscal year.



The following table provides a breakdown of the capital assets of the Town at June 30, 2006 and 2005.

Town of Buckeye, Arizona  
Capital Assets at June 30, 2006 and 2005  
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 4,547,993	\$ 812,176	\$ 25,148	\$ 25,148	\$ 4,573,141	\$ 837,324
Construction in progress	8,264,832	3,979,049	24,477,949	5,974,633	32,742,781	9,953,682
Land improvements	1,605,585	1,716,550	-	-	1,605,585	1,716,550
Buildings and improvements	6,068,571	1,363,486	2,812,895	2,902,918	8,881,466	4,266,404
Infrastructure	44,297,382	42,202,970	-	-	44,297,382	42,202,970
Furniture, machinery and equipment	5,959,412	3,168,596	-	-	5,959,412	3,168,596
Wastewater system	-	-	10,753,734	8,498,661	10,753,734	8,498,661
Water system	-	-	8,525,059	8,817,234	8,525,059	8,817,234
Machinery, equipment and vehicles	-	-	579,922	404,499	579,922	404,499
	<u>\$70,743,775</u>	<u>\$53,242,827</u>	<u>\$47,174,707</u>	<u>\$26,623,093</u>	<u>\$117,918,482</u>	<u>\$79,865,920</u>

### Long-term Debt

At the end of the current fiscal year, the Town of Buckeye, Arizona had total long-term obligations outstanding of \$153,741,798, including eight new leases. Of the outstanding debt, \$605,000 is general obligation bonds backed by the full faith and credit of the Town. An additional \$3,570,000 are improvement bonds that are backed by the property owners within the District. An additional \$119,283,000 are community facilities district bonds backed by property owners within the District areas. An additional \$24,130,000 and \$2,360,000 of outstanding debt is secured by pledges of specific revenue sources of the Town. The remaining \$3,793,798 is in its majority for other liabilities; capital leases and compensated absences.

The following schedule shows the outstanding debt of the Town (both current and long-term) as of June 30, 2006 and 2005. Further detail on the Town's outstanding debt may be found in Note 3.E. on pages 59 - 63.

Town of Buckeye, Arizona  
Long-term Obligations at June 30, 2006 and 2005

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 605,000	\$ 880,000	\$ -	\$ -	\$ 605,000	\$ 880,000
Improvement bonds	3,570,000	3,805,000	-	-	3,570,000	3,805,000
Revenue bonds	24,130,000	9,400,000	2,360,000	2,460,000	26,490,000	11,860,000
Community facilities district bonds	119,283,000	64,625,000	-	-	119,283,000	64,625,000
Deferred amount on premium	1,185,831	698,622	-	-	1,185,831	698,622
Deferred amount on discount	(937,907)	(986,639)	-	-	(937,907)	(986,639)
Capital leases	2,741,687	2,043,667	26,621	9,766	2,768,308	2,053,433
Compensated absences	703,910	608,165	73,656	51,315	777,566	659,480
	<u>\$151,281,521</u>	<u>\$81,073,815</u>	<u>\$ 2,460,277</u>	<u>\$ 2,521,081</u>	<u>\$153,741,798</u>	<u>\$83,594,896</u>

## **Economic Factors and Next Year's Budgets and Rates**

- ◆ The Town of Buckeye, Arizona, expects to continue experiencing the significant revenue growth mainly due to ongoing housing construction, creation of new business, and increase in delivered services. The historical average rate of increase for the past three (3) years has been 49%, 58%, and 78% respectively.
- ◆ The Town's assessed valuation is up 60% with 49% attributed to new construction and 11% appreciation of existing property.
- ◆ The population of the Town of Buckeye, Arizona continues to grow at a 23% average for the last five years.
- ◆ During the year the Town adopted a 1% construction sales tax to assist with road construction only.
- ◆ The Town of Buckeye increased staffing by 33% (104.5 new positions) to meet the citizen's request for services.

## **Financial contact**

This financial report is designed to provide a general overview of the Town's finances for all of those with an interest and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to:

Town of Buckeye  
Accounting Department  
100 N. Apache, Suite A  
Buckeye, AZ 85326  
623-386-4691

Or visit our website at:

[www.buckeyeaz.org](http://www.buckeyeaz.org)



## **Basic Financial Statements**

TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF NET ASSETS  
JUNE 30, 2006

	Governmental Activities	Business-type Activities	Totals
<b>Assets</b>			
Cash and cash equivalents	\$ 59,299,823	\$ 12,646,623	\$ 71,946,446
Cash with paying agent	319,575	-	319,575
Receivables, net			
Accounts receivable	2,862,686	956,694	3,819,380
Taxes receivable	4,504	-	4,504
Intergovernmental receivable	3,332,261	-	3,332,261
Special assessments receivable	74,182,000	-	74,182,000
Inventories	-	14,159	14,159
Deferred charges	4,872,650	120,197	4,992,847
Restricted assets	56,284,082	336,260	56,620,342
Capital assets			
Non-depreciable	12,812,825	24,503,097	37,315,922
Depreciable (net)	<u>57,930,950</u>	<u>22,671,610</u>	<u>80,602,560</u>
Total assets	<u>271,901,356</u>	<u>61,248,640</u>	<u>333,149,996</u>
<b>Liabilities</b>			
Accounts payable	3,210,892	199,122	3,410,014
Contracts payable	12,683,133	-	12,683,133
Accrued wages and benefits	550,399	29,167	579,566
Interest payable	3,888,953	-	3,888,953
Developer agreements payable	-	91,120	91,120
Intergovernmental payable	23,104	94,396	117,500
Customer deposits payable	2,000	336,260	338,260
Unearned revenue	633,484	-	633,484
Matured debt principal payable	1,713,000	-	1,713,000
Noncurrent liabilities			
Due within one year	3,339,050	131,239	3,470,289
Due in more than one year	<u>147,942,471</u>	<u>2,329,038</u>	<u>150,271,509</u>
Total liabilities	<u>173,986,486</u>	<u>3,210,342</u>	<u>177,196,828</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	525,156	44,788,086	45,313,242
Restricted for			
Highways and streets	516,365	-	516,365
Debt service	10,146,769	-	10,146,769
Capital outlay	18,199,327	-	18,199,327
Other	561,032	-	561,032
Unrestricted	<u>67,966,221</u>	<u>13,250,212</u>	<u>81,216,433</u>
Total net assets	<u>\$ 97,914,870</u>	<u>\$ 58,038,298</u>	<u>\$ 155,953,168</u>

The notes to the basic financial statements are an integral part of this statement.

**TOWN OF BUCKEYE, ARIZONA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Functions/Programs</b>							
Governmental activities							
General government	\$ 9,444,119	\$ 23,871,269	\$ 90,760	\$ 514,313	\$ 15,032,223	\$ -	\$ 15,032,223
Public safety	12,245,524	5,211,719	124,598	-	(6,909,207)	-	(6,909,207)
Highways and streets	3,788,433	864,216	826,457	108,059	(1,989,701)	-	(1,989,701)
Culture and recreation	1,905,488	3,787,735	82,730	-	1,964,977	-	1,964,977
Community development	2,122,344	-	-	-	(2,122,344)	-	(2,122,344)
Economic development	281,784	-	-	-	(281,784)	-	(281,784)
Health and welfare	633,260	-	198,069	-	(435,191)	-	(435,191)
Interest on long-term debt	6,757,025	52,706,355	-	-	45,949,330	-	45,949,330
Total governmental activities	<u>37,177,977</u>	<u>86,441,294</u>	<u>1,322,614</u>	<u>622,372</u>	<u>51,208,303</u>	<u>-</u>	<u>51,208,303</u>
<b>Business-type activities</b>							
Sewer	2,250,209	7,132,345	-	101,319	-	\$ 4,983,455	\$ 4,983,455
Water	<u>3,902,628</u>	<u>8,055,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,153,175</u>	<u>4,153,175</u>
Total business-type activities	<u>6,152,837</u>	<u>15,188,148</u>	<u>-</u>	<u>101,319</u>	<u>-</u>	<u>9,136,630</u>	<u>9,136,630</u>
<b>Totals</b>	<u>\$ 43,330,814</u>	<u>\$ 101,629,442</u>	<u>\$ 1,322,614</u>	<u>\$ 723,691</u>	<u>51,208,303</u>	<u>9,136,630</u>	<u>60,344,933</u>
<b>General revenues</b>							
Taxes							
Sales taxes					17,786,048	-	17,786,048
Property taxes					3,487,934	-	3,487,934
Franchise taxes					508,746	-	508,746
Unrestricted State revenue sharing					889,631	-	889,631
Unrestricted State sales tax revenue sharing					1,031,392	-	1,031,392
Unrestricted auto lieu tax revenue sharing					475,343	-	475,343
Grants and contributions not restricted					54,008	-	54,008
Investment earnings					3,175,954	107,280	3,283,234
Other					463,506	-	463,506
Transfers					(21,225,022)	21,225,022	-
Total general revenues and transfers					<u>6,647,540</u>	<u>21,332,302</u>	<u>27,979,842</u>
Change in net assets					57,855,843	30,468,932	88,324,775
Net assets, beginning of year (as restated)					<u>40,059,027</u>	<u>27,569,366</u>	<u>67,628,393</u>
Net assets, end of year					<u>\$ 97,914,870</u>	<u>\$ 58,038,298</u>	<u>\$ 155,953,168</u>

The notes to the basic financial statements are an integral part of this statement.

TOWN OF BUCKEYE, ARIZONA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2006

	General	CFD Debt Service	CFD Capital Projects	Impact Fees	Nonmajor Governmental Funds	Totals
<b>Assets</b>						
Cash and cash equivalents	\$ 17,543,397	\$ 7,775,566	\$ 223,398	\$ 9,142,910	\$ 24,614,552	\$ 59,299,823
Cash with paying agent	-	-	-	-	319,575	319,575
Receivables, net						
Accounts receivable	2,692,550	13	156,701	-	13,422	2,862,686
Taxes receivable	-	-	-	-	4,504	4,504
Intergovernmental receivable	3,004,975	-	-	-	327,286	3,332,261
Special assessments receivable	-	70,612,000	-	-	3,570,000	74,182,000
Restricted assets	-	6,176,776	50,107,306	-	-	56,284,082
Total assets	<u>\$ 23,240,922</u>	<u>\$ 84,564,355</u>	<u>\$ 50,487,405</u>	<u>\$ 9,142,910</u>	<u>\$ 28,849,339</u>	<u>\$196,284,931</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 2,185,129	\$ 1,978	\$ 14,477	\$ 127,283	\$ 882,025	\$ 3,210,892
Contracts payable	-	-	12,683,133	-	-	12,683,133
Accrued wages and benefits	530,038	-	-	-	20,361	550,399
Interest payable	-	3,254,256	-	-	634,697	3,888,953
Intergovernmental payable	23,104	-	-	-	-	23,104
Deferred revenue	-	70,612,000	-	-	3,570,000	74,182,000
Unearned revenue	633,484	-	-	-	-	633,484
Customer deposits payable	2,000	-	-	-	-	2,000
Matured debt principal payable	-	1,438,000	-	-	275,000	1,713,000
Total liabilities	<u>3,373,755</u>	<u>75,306,234</u>	<u>12,697,610</u>	<u>127,283</u>	<u>5,382,083</u>	<u>96,886,965</u>
<b>Fund balances</b>						
Unreserved	19,867,167	9,258,121	37,789,795	9,015,627	-	75,930,710
Unreserved, reported in nonmajor:						
Special revenue funds	-	-	-	-	1,077,397	1,077,397
Debt service funds	-	-	-	-	888,648	888,648
Capital projects funds	-	-	-	-	21,501,211	21,501,211
Total fund balances	<u>19,867,167</u>	<u>9,258,121</u>	<u>37,789,795</u>	<u>9,015,627</u>	<u>23,467,256</u>	<u>99,397,966</u>
Total liabilities and fund balances	<u>\$ 23,240,922</u>	<u>\$ 84,564,355</u>	<u>\$ 50,487,405</u>	<u>\$ 9,142,910</u>	<u>\$ 28,849,339</u>	<u>\$196,284,931</u>

The notes to the basic financial statements are an integral part of this statement.



TOWN OF BUCKEYE, ARIZONA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2006

Fund balances - total governmental funds	\$ 99,397,966
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Amounts reported for governmental activities in the statement of net assets are different because:

Special assessment revenue not available for current financial resources	74,182,000
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	81,080,707
Less accumulated depreciation	<u>(10,336,932)</u>
Capital assets used in governmental activities	<u>70,743,775</u>

Other long-term assets are not available to pay for current-period expenditures:

Deferred charges	4,872,650
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

General obligation bonds	(605,000)
Improvement bonds	(3,570,000)
Revenue bonds	(24,130,000)
Community facilities district bonds	(119,283,000)
Deferred amount on premium	(1,185,831)
Deferred amount on discount	937,907
Capital leases	(2,741,687)
Compensated absences	<u>(703,910)</u>

Net assets of governmental activities	\$ <u>97,914,870</u>
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The notes to the basic financial statements are an integral part of this statement.

TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	General	CFD Debt Service	CFD Capital Projects	Impact Fees	Nonmajor Governmental Funds	Totals
Revenues						
Taxes						
Sales taxes	\$ 17,786,048	\$ -	\$ -	\$ -	\$ -	\$ 17,786,048
Property taxes	1,311,836	1,696,755	47,558	-	431,785	3,487,934
Franchise taxes	508,746	-	-	-	-	508,746
Intergovernmental	2,910,679	-	-	-	1,404,451	4,315,130
Fines and forfeitures	314,506	-	-	-	-	314,506
Licenses and permits	8,659,830	-	-	-	-	8,659,830
Charges for services	8,466,697	-	-	-	-	8,466,697
Developer agreements	-	371,466	6,013,382	-	486,641	6,871,489
Contributions and donations	80,230	-	-	-	-	80,230
Impact fees	-	-	-	8,993,920	-	8,993,920
Special assessments	-	4,123,090	-	-	831,265	4,954,355
Investment earnings	774,608	298,744	1,407,841	159,460	535,301	3,175,954
Other	592,376	115,557	16,031	-	168,039	892,003
Total Revenues	<u>41,405,556</u>	<u>6,605,612</u>	<u>7,484,812</u>	<u>9,153,380</u>	<u>3,857,482</u>	<u>68,506,842</u>
Expenditures						
Current						
General government	9,239,556	-	342,126	46,099	118,976	9,746,757
Public safety	10,859,356	-	-	2,852,839	188,424	13,900,619
Highways and streets	-	-	-	-	1,454,491	1,454,491
Culture and recreation	1,698,918	-	-	160,084	-	1,859,002
Community development	2,177,500	-	-	-	-	2,177,500
Economic development	234,138	-	-	-	-	234,138
Health and welfare	285,800	-	-	-	353,325	639,125
Debt Service						
Principal retirement	-	2,590,000	-	-	510,000	3,100,000
Interest on long-term debt	-	5,442,405	-	-	1,183,695	6,626,100
Issuance costs	-	-	2,815,799	-	265,434	3,081,233
Capital outlay	5,624,567	-	24,335,638	-	8,368,692	38,328,897
Total Expenditures	<u>30,119,835</u>	<u>8,032,405</u>	<u>27,493,563</u>	<u>3,059,022</u>	<u>12,443,037</u>	<u>81,147,862</u>
Excess (deficiency) of revenues over expenditures	<u>11,285,721</u>	<u>(1,426,793)</u>	<u>(20,008,751)</u>	<u>6,094,358</u>	<u>(8,585,555)</u>	<u>(12,641,020)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	4,033,962	4,033,962
Transfers out	(3,434,943)	-	(1,922,645)	-	-	(5,357,588)
Proceeds of long-term debt issuance	-	6,763,080	50,484,920	-	14,730,000	71,978,000
Premium on long-term debt issuance	-	-	-	-	529,476	529,476
Proceeds from capital leases	139,410	-	-	1,086,521	85,067	1,310,998
Total other financing sources (uses)	<u>(3,295,533)</u>	<u>6,763,080</u>	<u>48,562,275</u>	<u>1,086,521</u>	<u>19,378,505</u>	<u>72,494,848</u>
Net change in fund balances	7,990,188	5,336,287	28,553,524	7,180,879	10,792,950	59,853,828
Fund balances, beginning of year, as restated	11,876,979	3,921,834	9,236,271	1,834,748	12,674,306	39,544,138
Fund balances, end of year	<u>\$ 19,867,167</u>	<u>\$ 9,258,121</u>	<u>\$ 37,789,795</u>	<u>\$ 9,015,627</u>	<u>\$ 23,467,256</u>	<u>\$ 99,397,966</u>

The notes to the basic financial statements are an integral part of this statement.

TOWN OF BUCKEYE, ARIZONA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Net change in fund balances - total governmental funds \$ 59,853,828

Amounts reported for governmental activities in the statement of activities are different because:  
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	20,640,162
Less current year depreciation	<u>(3,139,214)</u>
Excess capital expenditures over depreciation	<u>17,500,948</u>

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and therefore are not reported as revenues in the statement of activities.

Special assessments 47,752,000

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. The issuance of long-term debt increases long-term liabilities on the statement of net assets and the repayment of principal on long-term debt reduces long-term debt on the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these items are deferred and amortized over the term of the long-term debt in the statement of activities.

Principal payments on long-term debt	3,100,000
Principal payments on capital leases	612,978
Proceeds of capital leases	(1,310,998)
Proceeds of long-term debt	(72,507,476)
Issuance costs	3,081,233
Amortization of discount	(48,732)
Amortization of issuance costs	(124,460)
Amortization of premium	42,267

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Net increase in compensated absences (95,745)

Change in net assets of governmental activities \$ 57,855,843

The notes to the basic financial statements are an integral part of this statement.



TOWN OF BUCKEYE, ARIZONA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Sales taxes	\$ 6,300,000	\$ 7,200,000	\$ 17,786,048	\$ 10,586,048
Property taxes	1,308,174	1,308,174	1,311,836	3,662
Franchise taxes	307,000	307,000	508,746	201,746
Intergovernmental	3,896,230	3,896,230	2,910,679	(985,551)
Fines and forfeitures	244,300	244,300	314,506	70,206
Licenses and permits	6,769,000	6,769,000	8,659,830	1,890,830
Charges for services	3,832,288	3,832,288	8,466,697	4,634,409
Contributions and donations	-	-	80,230	80,230
Investment earnings	130,150	130,150	774,608	644,458
Other	491,600	491,600	592,376	100,776
Total Revenues	<u>23,278,742</u>	<u>24,178,742</u>	<u>41,405,556</u>	<u>17,226,814</u>
Expenditures				
Current				
General government				
Mayor and council	60,555	64,391	62,237	2,154
Administration	338,158	338,158	305,657	32,501
Town Manager	333,931	333,931	331,690	2,241
Human Resources	268,562	299,240	228,754	70,486
Finance department	433,567	589,189	541,332	47,857
Magistrate	474,070	474,070	421,920	52,150
Vehicle maintenance	660,040	704,424	737,461	(33,037)
Irrigation	263,627	263,627	252,808	10,819
Cemetery	161,298	161,298	152,355	8,943
Non-departmental	3,278,389	2,102,036	4,066,752	(1,964,716)
Airport	333,473	333,473	344,715	(11,242)
Public works - administration	462,219	851,860	598,015	253,845
Information technology	752,825	973,226	945,289	27,937
Other	140,000	140,000	126,168	13,832
Total general government	<u>7,960,714</u>	<u>7,628,923</u>	<u>9,115,153</u>	<u>(1,486,230)</u>
Public safety				
Police	5,958,381	5,958,381	5,945,185	13,196
Fire	4,381,230	4,350,551	3,745,465	605,086
Cost of adjudications	10,150	10,150	116,801	(106,651)
Sun City expenditures	760,245	760,245	1,051,905	(291,660)
Total public safety	<u>11,110,006</u>	<u>11,079,327</u>	<u>10,859,356</u>	<u>219,971</u>
Culture and recreation				
Parks, recreation and library	1,217,190	1,518,339	1,657,676	(139,337)
Parks and recreation youth programs	-	-	26,235	(26,235)
Total culture and recreation	<u>1,217,190</u>	<u>1,518,339</u>	<u>1,683,911</u>	<u>(165,572)</u>
Community development				
Community development	1,651,197	1,709,017	2,177,500	(468,483)
Total community development	<u>1,651,197</u>	<u>1,709,017</u>	<u>2,177,500</u>	<u>(468,483)</u>
Economic development				
Economic development	308,359	308,359	234,138	74,221
Total economic development	<u>308,359</u>	<u>308,359</u>	<u>234,138</u>	<u>74,221</u>
Health and welfare				
Social services	517,869	518,369	285,800	232,569
Total health and welfare	<u>517,869</u>	<u>518,369</u>	<u>285,800</u>	<u>232,569</u>
Capital outlay	5,974,526	5,974,526	5,624,567	349,959
Total Expenditures	<u>28,739,861</u>	<u>28,736,860</u>	<u>29,980,425</u>	<u>(1,243,565)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,461,119)</u>	<u>(4,558,118)</u>	<u>11,425,131</u>	<u>15,983,249</u>

(Continued)

The notes to the basic financial statements are an integral part of this statement.



TOWN OF BUCKEYE, ARIZONA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

(Concluded)				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other financing sources (uses)				
Transfers in	\$ 76,910	\$ 76,910	\$ -	\$ (76,910)
Transfers out	<u>(1,211,692)</u>	<u>(2,111,692)</u>	<u>(3,434,943)</u>	<u>(1,323,251)</u>
Total other financing sources (uses)	<u>(1,134,782)</u>	<u>(2,034,782)</u>	<u>(3,434,943)</u>	<u>(1,400,161)</u>
Net change in fund balances	(6,595,901)	(6,592,900)	7,990,188	14,583,088
Fund balances, beginning of year	<u>9,070,000</u>	<u>9,070,000</u>	<u>11,876,979</u>	<u>2,806,979</u>
Fund balances, end of year	<u>\$ 2,474,099</u>	<u>\$ 2,477,100</u>	<u>\$ 19,867,167</u>	<u>\$ 17,390,067</u>

The notes to the basic financial statements are an integral part of this statement.

TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2006

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Totals
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 6,740,926	\$ 5,905,697	\$ 12,646,623
Receivables, net			
Accounts receivable	324,024	632,670	956,694
Inventories	-	14,159	14,159
Deferred charges	-	120,197	120,197
Restricted assets	-	336,260	336,260
Total current assets	<u>7,064,950</u>	<u>7,008,983</u>	<u>14,073,933</u>
Noncurrent assets			
Capital assets			
Non-depreciable	20,647,000	3,856,097	24,503,097
Depreciable (net)	<u>12,991,877</u>	<u>9,679,733</u>	<u>22,671,610</u>
Total noncurrent assets	<u>33,638,877</u>	<u>13,535,830</u>	<u>47,174,707</u>
Total assets	<u>40,703,827</u>	<u>20,544,813</u>	<u>61,248,640</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	123,867	75,255	199,122
Accrued wages and benefits	10,304	18,863	29,167
Intergovernmental payable	-	94,396	94,396
Developer agreements payable	91,120	-	91,120
Customer deposits payable	-	336,260	336,260
Compensated absences	7,544	11,838	19,382
Capital leases payable	8,428	3,429	11,857
Bonds, notes and loans payable	-	100,000	100,000
Total current liabilities	<u>241,263</u>	<u>640,041</u>	<u>881,304</u>
Noncurrent liabilities			
Compensated absences	27,880	26,394	54,274
Capital leases payable	7,382	7,382	14,764
Bonds, notes and loans payable	-	2,260,000	2,260,000
Total noncurrent liabilities	<u>35,262</u>	<u>2,293,776</u>	<u>2,329,038</u>
Total liabilities	<u>276,525</u>	<u>2,933,817</u>	<u>3,210,342</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	33,623,067	11,165,019	44,788,086
Unrestricted	<u>6,804,235</u>	<u>6,445,977</u>	<u>13,250,212</u>
Total net assets	<u>\$ 40,427,302</u>	<u>\$ 17,610,996</u>	<u>\$ 58,038,298</u>

The notes to the basic financial statements are an integral part of this statement

TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Totals
Operating revenues			
Charges for services	\$ 2,172,751	\$ 4,103,743	\$ 6,276,494
Total operating revenues	<u>2,172,751</u>	<u>4,103,743</u>	<u>6,276,494</u>
Operating expenses			
Costs of sales and services	1,877,504	3,405,970	5,283,474
Depreciation	<u>372,705</u>	<u>354,251</u>	<u>726,956</u>
Total operating expenses	<u>2,250,209</u>	<u>3,760,221</u>	<u>6,010,430</u>
Operating income (loss)	<u>(77,458)</u>	<u>343,522</u>	<u>266,064</u>
Nonoperating revenues (expenses)			
Developer agreements	101,319	-	101,319
Impact fees	4,959,594	3,952,060	8,911,654
Investment earnings	48,250	59,030	107,280
Interest expense	-	(134,394)	(134,394)
Issuance costs	-	(8,013)	(8,013)
Total nonoperating revenues (expenses)	<u>5,109,163</u>	<u>3,868,683</u>	<u>8,977,846</u>
Income before contributions and transfers	5,031,705	4,212,205	9,243,910
Capital contributions	16,057,118	3,844,278	19,901,396
Transfers in	2,000,103	-	2,000,103
Transfers out	<u>(326,361)</u>	<u>(350,116)</u>	<u>(676,477)</u>
Change in net assets	22,762,565	7,706,367	30,468,932
Total net assets, beginning of year (as restated)	<u>17,664,737</u>	<u>9,904,629</u>	<u>27,569,366</u>
Total net assets, end of year	<u>\$ 40,427,302</u>	<u>\$ 17,610,996</u>	<u>\$ 58,038,298</u>

The notes to the basic financial statements are an integral part of this statement.

TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Business-type Activities - Enterprise Funds		
	Sewer	Water	Totals
Cash flows from operating activities			
Receipts from customers	\$ 2,059,818	\$ 3,875,725	\$ 5,935,543
Payments to employees	(309,985)	(491,029)	(801,014)
Payments to suppliers	(1,975,802)	(2,866,917)	(4,842,719)
Customer deposits received	-	143,513	143,513
Net cash flows from operating activities	<u>(225,969)</u>	<u>661,292</u>	<u>435,323</u>
Cash flows from noncapital financing activities			
Transfers in	2,000,103	-	2,000,103
Transfers out	<u>(326,361)</u>	<u>(350,116)</u>	<u>(676,477)</u>
Net cash flows from noncapital financing activities	<u>1,673,742</u>	<u>(350,116)</u>	<u>1,323,626</u>
Cash flows from capital and financing activities			
Impact fees	4,959,594	3,952,060	8,911,654
Developer agreements	(1,821,326)	-	(1,821,326)
Purchases of capital assets	(1,168,060)	(179,552)	(1,347,612)
Principal paid on capital debt	(8,737)	(103,970)	(112,707)
Interest paid on capital debt	-	(134,394)	(134,394)
Net cash flows from capital and financing activities	<u>1,961,471</u>	<u>3,534,144</u>	<u>5,495,615</u>
Cash flows from investing activities			
Investment earnings	<u>48,250</u>	<u>59,030</u>	<u>107,280</u>
Net cash flows from investing activities	<u>48,250</u>	<u>59,030</u>	<u>107,280</u>
Net change in cash and cash equivalents	3,457,494	3,904,350	7,361,844
Cash and cash equivalents, beginning of year	<u>3,283,432</u>	<u>2,337,607</u>	<u>5,621,039</u>
Cash and cash equivalents, end of year	<u>\$ 6,740,926</u>	<u>\$ 6,241,957</u>	<u>\$ 12,982,883</u>
Reconciliation of cash and cash equivalents to the statement of net assets			
Cash and investments	\$ 6,740,926	\$ 5,905,697	\$ 12,646,623
Restricted assets	-	336,260	336,260
Total cash and cash equivalents	<u>\$ 6,740,926</u>	<u>\$ 6,241,957</u>	<u>\$ 12,982,883</u>

The notes to the basic financial statements are an integral part of this statement



TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
(Concluded)			
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ (77,458)	\$ 343,522	\$ 266,064
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	372,705	354,251	726,956
Change in assets/liabilities:			
Receivables, net	(112,933)	(279,383)	(392,316)
Accounts payable	(431,504)	26,961	(404,543)
Accrued wages and benefits	9,148	12,795	21,943
Intergovernmental payable	-	51,365	51,365
Compensated absences	14,073	8,268	22,341
Customer deposits payable	-	143,513	143,513
Net cash provided by operating activities	\$ <u>(225,969)</u>	\$ <u>661,292</u>	\$ <u>435,323</u>

**Noncash Investing, Capital and Financing Activities:**

**Sewer Fund:**

A capital lease with a principal value of \$14,781 was entered into in the Sewer Fund during the year. Capital assets of \$16,057,118 were transferred from the governmental activities to the Sewer Fund during the year.

**Water Fund:**

A capital lease with a principal value of \$14,781 was entered into in the Water Fund during the year. Capital assets of \$3,844,278 were transferred from the governmental activities to the Water Fund during the year. In addition, bond issuance costs of \$8,013 were amortized in the Water Fund during the year.

The notes to the basic financial statements are an integral part of this statement

TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2006

	<u>Pension Trust</u>
<b>Assets</b>	
Cash and cash equivalents	\$ <u>238.753</u>
Total assets	\$ <u>238.753</u>
<b>Net Assets</b>	
Held in trust	\$ <u><u>238.753</u></u>

The notes to the basic financial statements are an integral part of this statement

TOWN OF BUCKEYE, ARIZONA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Pension Trust</u>
Additions	
Contributions	
Employer	\$ 516
Employee	<u>258</u>
Total contributions	<u>774</u>
Investment earnings	
Interest	<u>13,616</u>
Total additions	<u>14,390</u>
 Deductions	
Benefits	<u>1,642</u>
Total deductions	<u>1,642</u>
 Change in net assets	12,748
 Net assets, beginning of year	<u>226,005</u>
 Net assets, end of year	<u>\$ 238,753</u>

The notes to the basic financial statements are an integral part of this statement

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TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED JUNE 30, 2006

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The accompanying financial statements of the Town of Buckeye, Arizona (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the Town's more significant accounting policies follows.

During the year ended June 30, 2006, the Town of Buckeye, Arizona implemented the provisions of GASB Statement No. 44, Economic Condition Reporting. GASB Statement No. 44 modifies the statistical section and the implementation not only required additional statistical information, but its presentation was also changed.

**A. Reporting Entity**

The Town is a municipal government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations.

Included within the reporting entity:

The Verrado Community Facilities District No. 1 (formerly Whitestone District No. 1), Sundance Community Facilities District No. 1, Sundance Community Facilities District No. 2, Sundance Community Facilities District No. 3, Verrado Western Overlay Community Facilities District, West Park Community Facilities District, Elianto Community Facilities District, Trillium West Community Facilities District, Festival Ranch Community Facilities District, Tartesso West Community Facilities District and Watson Road Community Facilities District were formed for the purpose of acquiring and improving public infrastructure in specified land areas. As special purpose districts and separate political subdivisions under the Arizona Constitution, the Districts can levy taxes and issue bonds independently of the Town. Property owners in the designated areas are assessed for District taxes and thus for the costs of operating the Districts. The Town Council serves as the Board of Directors; however, the Town has no liability for the Districts' debt. For financial reporting purposes, transactions of the Districts are combined together and included as if they were part of the Town's operations.

Separate financial statements of the Districts are not prepared.

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**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



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Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year, the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes, intergovernmental grants and aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The *CFD Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of community facilities districts.

The *CFD Capital Projects Fund* accounts for the resources to be used for the acquisition or construction of major capital facilities of the community facilities districts.

The *Impact Fees Fund* accounts for impact fees for fire, police, parks and recreation, library, general government and streets.

The Town reports the following major proprietary funds:

The *Sewer Fund* accounts for the activities of the Town's sewer operations.

The *Water Fund* accounts for the activities of the Town's water operations.

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Additionally, the government reports the following fund types:

The *Pension Trust Fund* accounts for the activities of the Volunteer Firefighters' Relief and Pension Fund, which accumulates resources for pension benefit payments to qualified firemen.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for the business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges for interfund services provided and used are not eliminated if the prices approximate their external exchange values.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, for governmental activities it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. For business-type activities, the use of restricted resources is governed by the applicable bond covenants.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the State Treasurer, and highly liquid investments with maturities of three months or less from the date of acquisition.



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Cash and investments are pooled except for funds required to be held by fiscal agents or restricted under provisions of bond indentures. Interest earned from investments purchased with such pooled monies is allocated to each of the funds based on the average daily cash balances. State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in eligible depositories, repurchase agreements, obligations of the State of Arizona or any of its counties or incorporated cities, towns or duly organized school districts, improvement districts in this state and the State Treasurer's Local Government Investment Pool. Investments are stated at fair value.

**2. Receivables**

All trade receivables are shown net of an allowance for uncollectibles.

Maricopa County levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. However, a lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

**3. Short-term Interfund Receivables/Payables**

During the course of operations, individual funds within the Town's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements. The Town did not have any interfund receivable/payables at year-end.

**4. Inventories**

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**5. Restricted Assets**

Certain proceeds of the Town's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants.

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Customer deposits are also classified as restricted assets because their use is limited.

**6. Capital Assets**

Capital assets, which include property, plant, furniture, equipment and vehicles are reported in the governmental and business-type activities column in the government-wide financial statements as applicable and in the proprietary fund statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant, furniture, equipment and vehicles purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

General infrastructure assets acquired prior to July 1, 2002 are not reported in the basic financial statements. Those assets will be transitioned in over the next three fiscal years in accordance with GASB Statement No. 34.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Land improvements	10-20 years
Buildings and improvements	50 years
Wastewater system	50 years
Water system	50 years
Improvements other than buildings	40 years
Infrastructure	20-50 years
Furniture, machinery and equipment	3-10 years
Vehicles	5-10 years

**7. Compensated Absences**

The liability for compensated absences reported in the fund financial statements and the government-wide statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

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**8. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Net Assets**

In the government-wide financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt is separately reported because capital assets make up a significant portion of total net assets. Restricted net assets account for the portion of net assets restricted by parties outside the Town. Unrestricted net assets are the remaining net assets not included in the previous two categories.

**10. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.



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*NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY*

**A. Budgetary Information**

The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits a proposed budget for the fiscal year commencing the following July 1 to the Town Council. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. Prior to the third Monday in August, the expenditure limitation for the Town is legally enacted through passage of an ordinance. To ensure compliance with the expenditure limitation, a uniform expenditure report must be filed with the State each year. This report, issued under a separate cover, reconciles total Town expenditures from the audited financial statements to total expenditures for reporting in accordance with the State's uniform expenditure reporting system (A.R.S. §41-1279.07).
4. By Arizona Constitution, expenditures may not legally exceed the expenditure limitation described below of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for other funds. The Town Manager, subject to Town Council approval, may at any time transfer any unencumbered appropriation balance or portion thereof between a department or activity. The adopted budget cannot be amended in any way without Town Council approval.
5. Formal budgetary integration is employed as a management control device during the year for the General, Impact Fees, HURF, Grant Programs, Cemetery Improvement, Debt Service, Street Improvement, Hassayampa Hydrologic Study, Downtown Revitalization and Buckeye Infrastructure Funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures. See Note 4.C. for exception.

The Town is subject to the State of Arizona's Spending Limitation Law for Towns and Cities. This law does not permit the Town to spend more than budgeted revenues plus the carryover unrestricted cash balance from the prior fiscal year. The limitation is applied to the total of the combined funds. The Town complied with this law during the year.



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No supplementary budgetary appropriations were necessary during the year.

**B. Excess of Expenditures Over Appropriations**

Expenditures exceeded appropriations in the following funds:

	<u>Amount of Overexpenditure</u>
General Fund:	
Vehicle maintenance	\$ 33,037
Non-departmental	1,964,716
Airport	11,242
Cost of adjudications	106,651
Sun City expenditures	291,660
Parks, recreation and library	139,337
Parks and recreation youth programs	26,235
Community development	468,483
Debt Service Fund	571,218
Downtown Revitalization Fund	11,489

Cash was available to meet all of the overexpenditures above.

The majority of these exceeded appropriations were caused by unusual and unplanned events. Among the most significant are: Non-Departmental which had to accommodate newly hired trash collectors. These expenditures were offset by an increase in revenue, but were unbudgeted. In addition, there were some additional engineering expenditures that resulted from the increase in community growth. The Debt Service Fund required interest payments for newly issued debt that were not budgeted. Community development was required to incur an additional one time expenditure for consulting services resulting from extra plan reviews due to the Town's explosive growth. The Town of Buckeye, Arizona is evaluating whether these excesses should be considered in next year's budget or if another solution is possible to avoid this situation in the future.

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*NOTE 3 - DETAILED NOTES ON ALL FUNDS*

**A. Prior Period Adjustment**

In the prior year, capital assets meeting the capitalization threshold were not included in capital assets in error. In addition the Town recorded developer agreement contributions as a revenue in the Sewer Fund rather than an increase to deferred revenues. The Town also accrued revenues not meeting the revenue recognition criteria in error in the prior year. Therefore, the following prior period adjustment is necessary in order to properly restate Sewer Fund and governmental activities beginning net assets and CFD Capital Projects Fund fund balance at the beginning of the year.

	Governmental Activities	Sewer Fund	Water Fund	Total Business-type Activities	Total Government
Net assets at June 30, 2005, as previously reported	\$ 40,473,431	\$ 18,885,451	\$ 9,904,629	\$ 28,790,080	\$ 69,263,511
Net capital assets	-	701,931	-	701,931	701,931
Deferred revenues	-	(1,922,645)	-	(1,922,645)	(1,922,645)
Revenues not meeting the revenue recognition criteria accrued in error	<u>(414,404)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(414,404)</u>
Net assets at July 1, 2005, as restated	<u>\$ 40,059,027</u>	<u>\$ 17,664,737</u>	<u>\$ 9,904,629</u>	<u>\$ 27,569,366</u>	<u>\$ 67,628,393</u>

	Fund Balance at June 30, 2005 (as previously reported)	Prior Period Adjustment	Fund Balance at July 1, 2005 (as restated)
CFD Capital Projects Fund	<u>\$ 9,650,675</u>	<u>\$ (414,404)</u>	<u>\$ 9,236,271</u>

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**B. Assets**

**1. Deposits and Investments**

Deposits and investments at June 30, 2006 consist of the following:

Deposits	
Cash on hand	\$ 759
Cash in bank	12,369,284
Cash on deposit with paying agent	319,575
Investments	
Cash on deposit with trustee	62,839,806
Pension Trust Mutual Funds	244,124
State Treasurer's Investment Pool	<u>53,351,568</u>
Total deposits and investments	129,125,116
Restricted assets	(56,620,342)
Cash on deposit with paying agent	(319,575)
Fiduciary Funds	<u>(238,753)</u>
Total cash and cash equivalents	\$ <u>71,946,446</u>

**Deposits** - The Town's deposits at June 30, 2006, were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name.

**Investments** - The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. The shares are not identified with specific investments and are not subject to custodial credit risk. In addition, the pension trust mutual fund is not subject to custodial credit risk. Cash on deposit with trustee is held in trust for the Town under a Trust Agreement with Wells Fargo Bank. The funds held in trust are invested in money market funds, are valued at cost, and are invested in cash and cash equivalents and U.S. Treasury Bills. The funds are not subject to credit risk or interest rate risk. The Town's investment in the State Treasurer's investment pool did not receive a credit quality rating from a national agency.

*Interest rate risk.* In accordance with its investment policy, the Town manages its exposure to declines in fair value by limiting the average maturity of investments to less than one year.

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*Custodial credit risk.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy in regards to custodial credit risk. However, the Town's investments are not subject to custodial credit risk.

**2. Restricted Assets**

Restricted assets in the Enterprise Funds at June 30, 2006 consisted of the following:

Future debt service	\$ 6,176,776
Construction	50,107,306
Customer deposits	<u>336,260</u>
	<u>\$ 56,620,342</u>

**3. Receivables**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Special assessments not yet due (Nonmajor Governmental Funds)	\$ 3,570,000	\$ -
Special assessments not yet due (CFD Debt Service Fund)	70,612,000	-
Prepaid building permits General Fund	<u>-</u>	<u>633.484</u>
Total deferred revenue	<u>\$ 74,182,000</u>	<u>\$ 633.484</u>



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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 812,176	\$ 3,735,817	\$ -	\$ 4,547,993
Construction in progress	<u>3,979,049</u>	<u>8,755,789</u>	<u>(4,470,006)</u>	<u>8,264,832</u>
<b>Total capital assets, not being depreciated</b>	<b><u>4,791,225</u></b>	<b><u>12,491,606</u></b>	<b><u>(4,470,006)</u></b>	<b><u>12,812,825</u></b>
Capital assets being depreciated:				
Land improvements	2,922,038	-	-	2,922,038
Buildings and improvements	2,486,843	4,814,016	-	7,300,859
Infrastructure	44,170,889	4,439,571	-	48,610,460
Furniture, machinery and equipment	<u>6,069,550</u>	<u>3,364,975</u>	<u>-</u>	<u>9,434,525</u>
Total capital assets being depreciated	<u>55,649,320</u>	<u>12,618,562</u>	<u>-</u>	<u>68,267,882</u>
Less accumulated depreciation for:				
Land improvements	(1,205,488)	(110,965)	-	(1,316,453)
Buildings and improvements	(1,123,357)	(108,931)	-	(1,232,288)
Infrastructure	(1,967,919)	(2,345,159)	-	(4,313,078)
Furniture, machinery and equipment	<u>(2,900,954)</u>	<u>(574,159)</u>	<u>-</u>	<u>(3,475,113)</u>
Total accumulated depreciation	<u>(7,197,718)</u>	<u>(3,139,214)</u>	<u>-</u>	<u>(10,336,932)</u>
<b>Total capital assets, being depreciated, net</b>	<b><u>48,451,602</u></b>	<b><u>9,479,348</u></b>	<b><u>-</u></b>	<b><u>57,930,950</u></b>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 53,242,827</u></b>	<b><u>\$ 21,970,954</u></b>	<b><u>\$ (4,470,006)</u></b>	<b><u>\$ 70,743,775</u></b>

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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 25,148	\$ -	\$ -	\$ 25,148
Construction in progress	<u>5,974,633</u>	<u>21,137,232</u>	<u>(2,633,916)</u>	<u>24,477,949</u>
<b>Total capital assets, not being depreciated</b>	<u><b>5,999,781</b></u>	<u><b>21,137,232</b></u>	<u><b>(2,633,916)</b></u>	<u><b>24,503,097</b></u>
Capital assets being depreciated:				
Wastewater system	9,327,511	2,549,018	-	11,876,529
Water system	9,983,931	-	-	9,983,931
Buildings and improvements	4,246,735	-	-	4,246,735
Machinery, equipment and vehicles	<u>653,106</u>	<u>226,236</u>	<u>-</u>	<u>879,342</u>
Total capital assets being depreciated	<u>24,211,283</u>	<u>2,775,254</u>	<u>-</u>	<u>26,986,537</u>
Less accumulated depreciation for:				
Wastewater system	(828,850)	(293,945)	-	(1,122,795)
Water system	(1,166,697)	(292,175)	-	(1,458,872)
Buildings and improvements	(1,343,817)	(90,023)	-	(1,433,840)
Machinery, equipment and vehicles	<u>(248,607)</u>	<u>(50,813)</u>	<u>-</u>	<u>(299,420)</u>
Total accumulated depreciation	<u>(3,587,971)</u>	<u>(726,956)</u>	<u>-</u>	<u>(4,314,927)</u>
<b>Total capital assets, being depreciated, net</b>	<u><b>20,623,312</b></u>	<u><b>2,048,298</b></u>	<u><b>-</b></u>	<u><b>22,671,610</b></u>
<b>Business-type activities capital assets, net</b>	<u><b>\$ 26,623,093</b></u>	<u><b>\$ 23,185,530</b></u>	<u><b>\$ (2,633,916)</b></u>	<u><b>\$ 47,174,707</b></u>

The beginning balance of construction in progress for business-type activities was restated to include amounts excluded from the prior year in error. See Note 3.A. for a reconciliation of prior year ending net assets to current year beginning net assets.

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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 101,547
Public safety	378,906
Highways and streets	2,454,750
Culture and recreation	119,362
Community development	28,847
Economic development	<u>55,802</u>
Total depreciation expense-governmental activities	<u>\$ 3,139,214</u>
Business-type activities:	
Sewer	\$ 372,705
Water	<u>354,251</u>
Total depreciation expense-business-type activities	<u>\$ 726,956</u>

**5. Construction Commitments**

The Town has active construction projects at June 30, 2006. The projects include street improvements, airport improvements, construction of a fire and police station, construction of a library and recreation center and wastewater treatment plant improvements. At fiscal year end the Town's commitments with contractors were as follows:

Governmental Activities		
Project	Spent-to-date	Remaining Commitment
Street improvements	\$ 5,390,924	\$ 271,015
Airport improvements	1,481,793	150,293
Police station	37,590	-
Rancho Sunora wall	299,839	-
Other projects	<u>1,054,686</u>	<u>735,550</u>
	<u>\$ 8,264,832</u>	<u>\$ 1,156,858</u>

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Business-type Activities		
Project	Spent-to-date	Remaining Commitment
Wastewater treatment plant improvements	\$ 20,633,671	\$ 30,377,420
Water system improvements	<u>3,844,278</u>	<u>1,198,768</u>
	<u>\$ 24,477,949</u>	<u>\$ 31,576,188</u>

**C. Transfers**

Interfund transfers for the year ended June 30, 2006 consisted of the following:

Transfers To	Transfers From				
	General Fund	CFD Capital Projects Fund	Sewer Fund	Water Fund	Total
Sewer Fund	\$ -	\$ 1,922,645	\$ -	\$ 77,458	\$ 2,000,103
Nonmajor Governmental Funds	<u>3,434,943</u>	<u>-</u>	<u>326,361</u>	<u>272,658</u>	<u>4,033,962</u>
Totals	<u>\$ 3,434,943</u>	<u>\$ 1,922,645</u>	<u>\$ 326,361</u>	<u>\$ 350,116</u>	<u>\$ 6,034,065</u>

Transfers were made for operations in the applicable fund. In addition to the transfers above, \$19,901,396 of capital assets were transferred from governmental activities to business-type activities.

**D. Obligations Under Leases**

Capital Leases

The Town has entered into lease agreements as a lessee for financing the acquisition of various furniture, machinery and equipment items for its governmental activities. The Town has also entered into lease agreements as a lessee for financing the acquisition of trucks and a sewer rotator jet for its business-type activities. These lease agreements qualify as capital leases for accounting purposes and; therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.



TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED JUNE 30, 2006

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Furniture, equipment and vehicles	\$ 3,853,846	\$ 44,568
Less: accumulated depreciation	<u>(768,835)</u>	<u>(8,773)</u>
Total	<u>\$ 3,085,011</u>	<u>\$ 35,795</u>

Amortization expense has been included in depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006, were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities
2007	\$ 610,912	\$ 13,181
2008	610,917	7,940
2009	515,605	7,940
2010	413,855	-
2011	413,855	-
2012-2016	<u>727,367</u>	<u>-</u>
Total minimum lease payments	3,292,511	29,061
Less: amount representing interest	<u>(550,824)</u>	<u>(2,440)</u>
Present value of minimum lease payments	<u>\$ 2,741,687</u>	<u>\$ 26,621</u>

**E. Long-term Obligations**

The Town has long-term bonds issued to provide funds for the acquisition and construction of major capital facilities. The Town has also issued debt to refund earlier obligations with higher interest rates. The debt is being repaid by various debt service funds. Compensated absences are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

Special Assessment districts are created only by petition of the Town Council by property owners within the district areas. The Miller Road Improvement District was created so the Town could fund improvements. Each of the 24 property owners within the District has been assessed taxes by the Town for repayment of the improvement bond. In case of default, the Town has the responsibility to cover delinquencies of special assessment bonds with other sources until foreclosure proceeds are received.

TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED JUNE 30, 2006

Community facilities districts (CFDs) are created only by petition to the Town Council by property owners within the District areas. As the board of directors for the District, the Town Council has adopted a formal policy that CFD debt will be permitted only when the ratio of full cash value of the District property (prior to improvements being installed), when compared to proposed District debt, is a minimum of 3 to 1 prior to issuance of debt and 5 to 1 or higher after construction of improvements. These ratios are verified by an appraisal paid for by the District and administered by the Town. In addition, cumulative debt of all CFDs cannot exceed 5 percent of the Town's net secondary assessed valuation.

TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED JUNE 30, 2006

Bonds currently outstanding are as follows:

Purpose	Interest Rates (%)	Amount
<b>Governmental activities:</b>		
General Obligation Refunding Bonds, Series 1994	3.1-5.8	\$ <u>605,000</u>
Miller Road Improvement Bonds	5.45	\$ <u>3,570,000</u>
<i>Revenue Bonds:</i>		
Greater Arizona Development Authority Excise Tax Revenue Bonds, Series 2005A	3.0-5.0	\$ 9,400,000
Greater Arizona Development Authority Excise Tax Revenue Bonds, Series 2006A	4.0-5.0	<u>14,730,000</u>
Total Revenue Bonds		\$ <u>24,130,000</u>
<i>Community Facilities District Bonds:</i>		
Sundance Special Assessment Revenue Bonds, Series 2002	5.25-7.75	\$ 8,571,000
Sundance Special Assessment Revenue Bonds, Series 2003	5.00-7.125	6,048,000
Verrado District No. 1, General Obligation Bonds, Series 2003	6.0-6.5	24,000,000
Sundance General Obligation Bonds, Series 2004	3.0-6.25	4,890,000
Sundance Special Assessment Revenue Bonds, Series 2004	6.50	1,784,000
Verrado Western Overlay General Obligation Bonds, Series 2004	Variable rate	13,000,000
West Park Special Assessment Revenue Bonds, Series 2005	4.55-5.9	3,761,000
Festival Ranch Special Assessment Revenue Bonds, Series 2005	4.0-5.55	1,448,000
Sundance General Obligation Bonds, Series 2005	4.0-5.125	6,000,000
Watson Road Special Assessment Revenue Bonds, Series 2005	4.5-6.0	49,000,000
Tartesso West General Obligation Bonds, Series 2005	6.0	106,000
West Park General Obligation Bonds, Series 2005	5.15-5.6	<u>675,000</u>
Total Community Facilities District Bonds		\$ <u>119,283,000</u>

**TOWN OF BUCKEYE, ARIZONA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2006**

Purpose	Interest Rates (%)	Amount
<b>Business-type activities:</b>		
Excise Tax Revenue Bonds, Series 2000	4.4-5.9	\$ <u>2,360,000</u>

Changes in long-term obligations for the year ended June 30, 2006 are as follows:

	July 1, 2005	Increases	Decreases	June 30, 2006	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation bonds	\$ 880,000	\$ -	\$ (275,000)	\$ 605,000	\$ 295,000
Improvement bonds	3,805,000	-	(235,000)	3,570,000	245,000
Revenue bonds	9,400,000	14,730,000	-	24,130,000	-
Community facilities district bonds	64,625,000	57,248,000	(2,590,000)	119,283,000	1,825,000
Deferred amount on premium	698,622	529,476	(42,267)	1,185,831	53,905
Deferred amount on discount	(986,639)	-	48,732	(937,907)	(48,732)
Total bonds payable	<u>78,421,983</u>	<u>72,507,476</u>	<u>(3,093,535)</u>	<u>147,835,924</u>	<u>2,370,173</u>
Other liabilities:					
Capital leases	2,043,667	1,310,998	(612,978)	2,741,687	465,748
Compensated absences	608,165	584,220	(488,475)	703,910	503,129
Total other liabilities	<u>2,651,832</u>	<u>1,895,218</u>	<u>(1,101,453)</u>	<u>3,445,597</u>	<u>968,877</u>
Governmental activities long-term liabilities	<u>\$ 81,073,815</u>	<u>\$ 74,402,694</u>	<u>\$ (4,194,988)</u>	<u>\$151,281,521</u>	<u>\$ 3,339,050</u>
<b>Business-type Activities:</b>					
Bonds payable:					
Revenue bonds	\$ 2,460,000	\$ -	\$ (100,000)	\$ 2,360,000	\$ 100,000
Total bonds payable	<u>2,460,000</u>	<u>-</u>	<u>(100,000)</u>	<u>2,360,000</u>	<u>100,000</u>
Other liabilities:					
Capital leases	9,766	29,562	(12,707)	26,621	11,857
Compensated absences	51,315	41,160	(18,819)	73,656	19,382
Total other liabilities	<u>61,081</u>	<u>70,722</u>	<u>(31,526)</u>	<u>100,277</u>	<u>31,239</u>
Business-type activities long-term liabilities	<u>\$ 2,521,081</u>	<u>\$ 70,722</u>	<u>\$ (131,526)</u>	<u>\$ 2,460,277</u>	<u>\$ 131,239</u>



TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED JUNE 30, 2006

Debt service requirements on long-term debt at June 30, 2006 are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
Year Ending June 30				
2007	\$ 2,365,000	\$ 8,127,234	\$ 100,000	\$ 131,894
2008	3,103,000	8,041,718	110,000	126,794
2009	2,995,000	7,849,508	125,000	121,156
2010	4,172,000	7,688,284	125,000	114,594
2011	4,728,000	7,485,117	130,000	108,031
2012-2016	27,748,000	33,493,750	770,000	426,146
2017-2021	33,792,000	25,177,874	1,000,000	184,080
2022-2026	37,899,000	14,843,111	-	-
2027-2031	26,441,000	4,582,650	-	-
2032-2036	4,345,000	746,225	-	-
	<u>\$ 147,588,000</u>	<u>\$ 118,035,471</u>	<u>\$ 2,360,000</u>	<u>\$ 1,212,695</u>

**NOTE 4 - OTHER INFORMATION**

**A. Risk Management**

The Town of Buckeye, Arizona, is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the Town is a participating member. The limit for basic coverage is for \$3,000,000 per occurrence on a claims made basis. Excess coverage is for an additional \$3,000,000 per occurrence on a follow form, claims made basis. No significant reduction in insurance coverage occurred during the year and no settlements exceeded insurance coverage during any of the past three fiscal years.

The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The Town is also insured by Arizona Municipal Workers Compensation Fund for potential worker related accidents.

TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 FISCAL YEAR ENDED JUNE 30, 2006

**B. Contingent Liabilities**

**Accumulated Sick Leave** - Sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and, therefore, are not accrued. Unvested accumulated sick leave of Town employees at June 30, 2006, totaled \$782,244.

**Lawsuits** - The Town is a defendant in various lawsuits. In the opinion of the Town's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

**C. Budgetary Basis of Accounting**

The adopted budget of the Town was prepared on a basis consistent with U.S. generally accepted accounting principles, with one exception. The present value of net minimum capital lease payments was not budgeted as part of General Fund expenditures and other financing sources. Consequently, the following adjustments are necessary to present actual expenditures and other financing sources on a budgetary basis in order to provide a meaningful comparison.

	<u>General Fund</u>	
	<u>Total</u>	<u>Total Other</u>
	<u>Expenditures</u>	<u>Financing</u>
		<u>Sources</u>
Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 30,119,835	\$ (3,295,533)
Present value of net minimum capital lease payments	<u>(139,410)</u>	<u>(139,410)</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	\$ <u>29,980,425</u>	\$ <u>(3,434,943)</u>

TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED JUNE 30, 2006

**D. Subsequent Events**

Subsequent to June 30, 2006, the Festival Ranch Community Facilities District issued \$800,000 of General Obligation Bonds; the West Park Community Facilities District issued \$4,290,000 of General Obligation Bonds; and the Verrado District No. 1 Community Facilities District issued \$18,600,000 of General Obligation Bonds.

**E. Retirement Plans**

**Arizona State Retirement System**

**Plan Description** - The Town contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The system is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

**Funding Policy** - The Arizona State Legislature establishes and may amend active plan members' and the Town's contribution rate. For the year ended June 30, 2006, active plan members and the Town were each required by statute to contribute at the actuarially determined rate of 7.40 percent (6.90 percent retirement and .50 percent long-term disability) of the members' annual covered payroll. The Town's contributions to the System for the years ended June 30, 2006, 2005, and 2004 were \$447,251, \$203,345, and \$172,955, respectively, which were equal to the required contributions for the year.

**Public Safety Personnel Retirement System (PSPRS)**

**Plan Description** - The Town contributes to the Public Safety Personnel Retirement System (PSPRS), an agent multiple-employer, public employee retirement system that acts as a common investment and administrative agent to provide retirement and death and disability benefits for public safety personnel who are regularly assigned hazardous duty in the employ of the State of Arizona or a political subdivision thereof. All benefit provisions and other requirements are established by State statute. The Public Safety Personnel Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PSPRS. That report may be obtained by writing to Public Safety Personnel, 1020 E. Missouri Ave., Phoenix, AZ 85014 or by calling (602) 255-5575.



TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
 FISCAL YEAR ENDED JUNE 30, 2006

**Funding Policy** - Covered employees are required to contribute 7.65 percent of their annual salary to the PSPRS. The Town is required to contribute the remaining amounts necessary to fund the PSPRS, as determined by the actuarial basis specified by statute. The current rate is 7.76 percent for police of annual covered payroll.

**Annual Pension Cost** - During the year ended June 30, 2006, the Town of Buckeye, Arizona's annual pension cost of \$221,025 for police was equal to the Town of Buckeye, Arizona's required and actual contributions.

The required contribution was determined as part of the June 30, 2006 actuarial valuation using an entry age actuarial funding method. Significant actuarial assumptions used in determining the entry age actuarial accrued liability include (a) a rate of return on the investment of present and future assets of 9.0% per year compounded annually, (b) projected salary increases of 6.5% (including inflation at 5.5%) per year compounded annually, and (c) additional projected salary increases of 0.0% to 3.0% per year attributable to seniority/merit.

The actuarial value of the Town of Buckeye, Arizona's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The Town of Buckeye, Arizona's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2006, was 20 years.

The preceding methods comply with the financial reporting standards established by the Governmental Accounting Standards Board.

**Three-Year Trend Information**

**Police**

<u>Fiscal Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
2004	\$ 188,443	100.0 %	\$ -
2005	178,777	100.0	-
2006	221,025	100.0	-

Additional historical trend information for the Town's PSPRS is disclosed on page 70.

Historical trend information is presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable.



TOWN OF BUCKEYE, ARIZONA  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
FISCAL YEAR ENDED JUNE 30, 2006

**Firefighters' Relief and Pension Fund**

The Town of Buckeye Volunteer Firefighters' Relief and Pension Fund is a defined contribution pension plan administered by the Town and a board of trustees for the Town's volunteer firefighters.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. According to state statute, a volunteer firefighter who has served for 25 years or more or has reached 60 years of age and has served 20 years or more shall be eligible to receive a monthly retirement not to exceed \$150 per month, as determined by the board of trustees. Such pension, if paid, may be increased or decreased in amount, or discontinued at the discretion of the board of trustees. Pension and relief benefits may only be paid from the income of the trust fund. However, a firefighter who leaves the service without being eligible for retirement benefits is entitled to all previous deductions from his salary plus interest at a rate determined by the board of trustees. As established by state statute, in lieu of another acceptable pension plan, all volunteer firefighters must participate in the pension plan from the date they enter service.

The State of Arizona is required by statute to contribute a portion of the annual tax received on fire insurance premiums. During the fiscal year ended June 30, 2006, the Town's required and actual contributions amounted to \$516, the firefighters' contributions amounted to \$258; and the State's contributions totaled \$-0-.

No pension provision changes occurred during the year that affected the required contributions made by the Town or its volunteer firefighters.

The Firefighters' Relief and Pension Fund held no securities of the Town or other related parties during the fiscal years or as of the close of the fiscal year.

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## **Required Supplementary Information**

TOWN OF BUCKEYE, ARIZONA  
**REQUIRED SUPPLEMENTARY INFORMATION**  
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS

<b>Police</b>						
Valuation Date June 30,	Actuarial Value of Assets	Entry Age Actuarial Accrued Liability (AAL)	Percent Funded	Over (Under) funded AAL	Annual Covered Payroll	Over (Under) funded AAL as a Percentage of Covered Payroll
1997	\$ 884,699	\$ 907,792	97.5 %	\$ (23,093)	\$ 517,852	(4.5)%
1998	992,748	941,256	105.5	51,492	552,191	9.3
1999	1,236,113	1,158,543	106.7	77,570	547,478	14.2
2000	1,519,082	1,332,004	114.0	187,078	712,162	26.3
2001	1,724,416	1,640,004	105.1	84,412	909,523	9.3
2002	1,852,130	1,945,201	95.2	(93,071)	970,155	(9.6)
2003	2,099,097	2,053,973	102.2	45,124	1,299,752	3.5
2004	2,840,662	2,565,933	110.7	274,729	1,874,999	14.7
2005	3,131,024	3,143,023	99.6	(11,999)	2,183,012	(0.5)
2006	4,293,047	4,499,944	95.4	(206,897)	2,848,244	(7.3)



**Combining and Individual Fund  
Statements and Schedules**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

*Highway User Revenue Fund (HURF)* - accounts for the Town's share of motor fuel tax revenues and lottery proceeds.

*Grant Programs Fund* - accounts for the activities of various grants and contributions received by the Town.

*Cemetery Improvement Fund* - accounts for the perpetual care of the Town's cemetery.

*CFD Special Revenue Fund* - accounts for the general operations of the Town's community facilities districts.

### **DEBT SERVICE FUND**

*Debt Service Fund* - accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

### **CAPITAL PROJECTS FUNDS**

*Street Improvement Fund* - accounts for the Town's street improvements.

*Hassayampa Hydrologic Study Fund* - accounts for the activity of the Hassayampa study.

*Downtown Revitalization Fund* - accounts for the town sales tax earmarked for downtown revitalization.

*GADA 2006A Infrastructure Fund* - accounts for proceeds from revenue bonds for various projects.

*Buckeye Infrastructure Fund* - accounts for proceeds from revenue bonds for street projects.

TOWN OF BUCKEYE, ARIZONA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2006

	Special Revenue					Debt Service
	HURF	Grant Programs	Cemetery Improvement	CFD Special Revenue	Total Special Revenue Funds	Debt Service
<b>Assets</b>						
Cash and cash equivalents	\$ 427,384	\$ 234,880	\$ 131,738	\$ 97,370	\$ 891,372	\$ 1,476,879
Cash with paying agent	-	-	-	-	-	319,575
Receivables, net						
Accounts receivable	-	-	-	13,422	13,422	-
Taxes receivable	-	-	-	-	-	4,504
Intergovernmental receivable	156,233	171,053	-	-	327,286	-
Special assessments receivable	-	-	-	-	-	3,570,000
Total assets	<u>\$ 583,617</u>	<u>\$ 405,933</u>	<u>\$ 131,738</u>	<u>\$ 110,792</u>	<u>\$ 1,232,080</u>	<u>\$ 5,370,958</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 49,604	\$ 84,718	\$ -	\$ -	\$ 134,322	\$ 2,613
Accrued wages and benefits	17,648	2,713	-	-	20,361	-
Interest payable	-	-	-	-	-	634,697
Deferred revenue	-	-	-	-	-	3,570,000
Matured debt principal payable	-	-	-	-	-	275,000
Total liabilities	<u>67,252</u>	<u>87,431</u>	<u>-</u>	<u>-</u>	<u>154,683</u>	<u>4,482,310</u>
<b>Fund balances</b>						
Unreserved	<u>516,365</u>	<u>318,502</u>	<u>131,738</u>	<u>110,792</u>	<u>1,077,397</u>	<u>888,648</u>
Total fund balances	<u>516,365</u>	<u>318,502</u>	<u>131,738</u>	<u>110,792</u>	<u>1,077,397</u>	<u>888,648</u>
Total liabilities and fund balances	<u>\$ 583,617</u>	<u>\$ 405,933</u>	<u>\$ 131,738</u>	<u>\$ 110,792</u>	<u>\$ 1,232,080</u>	<u>\$ 5,370,958</u>



Capital Projects						
Street Improvement	Hassayampa Hydrologic Study	Downtown Revitalization	GADA 2006A Infrastructure	Buckeye Infrastructure Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 649,302	\$ 143,616	\$ 2,896,696	\$ 15,094,042	\$ 3,462,645	\$ 22,246,301	\$ 24,614,552
-	-	-	-	-	-	319,575
-	-	-	-	-	-	13,422
-	-	-	-	-	-	4,504
-	-	-	-	-	-	327,286
-	-	-	-	-	-	3,570,000
<u>\$ 649,302</u>	<u>\$ 143,616</u>	<u>\$ 2,896,696</u>	<u>\$ 15,094,042</u>	<u>\$ 3,462,645</u>	<u>\$ 22,246,301</u>	<u>\$ 28,849,339</u>
\$ 162,270	\$ -	\$ 2,037	\$ -	\$ 580,783	\$ 745,090	\$ 882,025
-	-	-	-	-	-	20,361
-	-	-	-	-	-	634,697
-	-	-	-	-	-	3,570,000
-	-	-	-	-	-	275,000
<u>162,270</u>	<u>-</u>	<u>2,037</u>	<u>-</u>	<u>580,783</u>	<u>745,090</u>	<u>5,382,083</u>
<u>487,032</u>	<u>143,616</u>	<u>2,894,659</u>	<u>15,094,042</u>	<u>2,881,862</u>	<u>21,501,211</u>	<u>23,467,256</u>
<u>487,032</u>	<u>143,616</u>	<u>2,894,659</u>	<u>15,094,042</u>	<u>2,881,862</u>	<u>21,501,211</u>	<u>23,467,256</u>
<u>\$ 649,302</u>	<u>\$ 143,616</u>	<u>\$ 2,896,696</u>	<u>\$ 15,094,042</u>	<u>\$ 3,462,645</u>	<u>\$ 22,246,301</u>	<u>\$ 28,849,339</u>

TOWN OF BUCKEYE, ARIZONA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Special Revenue					Debt Service
	HURF	Grant Programs	Cemetery Improvement	CFD Special Revenue	Total Special Revenue Funds	Debt Service
Revenues						
Taxes						
Property taxes	\$ -	\$ -	\$ -	\$ 110,987	\$ 110,987	\$ 320,798
Intergovernmental	826,457	577,994	-	-	1,404,451	-
Developer agreements	-	-	-	7,690	7,690	-
Special assessments	-	-	-	-	-	831,265
Investment earnings	-	-	22,250	-	22,250	-
Other	-	-	23,470	-	23,470	138,711
Total Revenues	<u>826,457</u>	<u>577,994</u>	<u>45,720</u>	<u>118,677</u>	<u>1,568,848</u>	<u>1,290,774</u>
Expenditures						
Current						
General government	-	11,731	-	42,924	54,655	64,321
Public safety	-	188,424	-	-	188,424	-
Highways and streets	1,454,491	-	-	-	1,454,491	-
Health and welfare	-	353,325	-	-	353,325	-
Debt Service						
Principal retirement	-	-	-	-	-	510,000
Interest on long-term debt	-	-	-	-	-	1,183,695
Issuance costs	-	-	-	-	-	-
Capital outlay	-	108,059	-	-	108,059	-
Total Expenditures	<u>1,454,491</u>	<u>661,539</u>	<u>-</u>	<u>42,924</u>	<u>2,158,954</u>	<u>1,758,016</u>
Excess (deficiency) of revenues over expenditures	<u>(628,034)</u>	<u>(83,545)</u>	<u>45,720</u>	<u>75,753</u>	<u>(590,106)</u>	<u>(467,242)</u>
Other financing sources (uses)						
Transfers in	930,444	237,756	-	-	1,168,200	642,506
Proceeds of long-term debt issuance	-	-	-	-	-	-
Proceeds from capital leases	85,067	-	-	-	85,067	-
Premium on long-term debt issuance	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,015,511</u>	<u>237,756</u>	<u>-</u>	<u>-</u>	<u>1,253,267</u>	<u>642,506</u>
Net change in fund balances	387,477	154,211	45,720	75,753	663,161	175,264
Fund balances, beginning of year	<u>128,888</u>	<u>164,291</u>	<u>86,018</u>	<u>35,039</u>	<u>414,236</u>	<u>713,384</u>
Fund balances, end of year	<u>\$ 516,365</u>	<u>\$ 318,502</u>	<u>\$ 131,738</u>	<u>\$ 110,792</u>	<u>\$ 1,077,397</u>	<u>\$ 888,648</u>

Capital Projects						Total Nonmajor Governmental Funds
Street Improvement	Hassayampa Hydrologic Study	Downtown Revitalization	GADA 2006A Infrastructure	Buckeye Infrastructure Fund	Total Capital Projects Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431,785
-	-	-	-	-	-	1,404,451
426,304	52,647	-	-	-	478,951	486,641
-	-	-	-	-	-	831,265
22,730	-	-	100,000	390,321	513,051	535,301
5,858	-	-	-	-	5,858	168,039
<u>454,892</u>	<u>52,647</u>	<u>-</u>	<u>100,000</u>	<u>390,321</u>	<u>997,860</u>	<u>3,857,482</u>
-	-	-	-	-	-	118,976
-	-	-	-	-	-	188,424
-	-	-	-	-	-	1,454,491
-	-	-	-	-	-	353,325
-	-	-	-	-	-	510,000
-	-	-	-	-	-	1,183,695
-	-	-	265,434	-	265,434	265,434
<u>965,671</u>	<u>181,343</u>	<u>311,489</u>	<u>-</u>	<u>6,802,130</u>	<u>8,260,633</u>	<u>8,368,692</u>
<u>965,671</u>	<u>181,343</u>	<u>311,489</u>	<u>265,434</u>	<u>6,802,130</u>	<u>8,526,067</u>	<u>12,443,037</u>
<u>(510,779)</u>	<u>(128,696)</u>	<u>(311,489)</u>	<u>(165,434)</u>	<u>(6,411,809)</u>	<u>(7,528,207)</u>	<u>(8,585,555)</u>
-	-	2,223,256	-	-	2,223,256	4,033,962
-	-	-	14,730,000	-	14,730,000	14,730,000
-	-	-	-	-	-	85,067
-	-	-	529,476	-	529,476	529,476
<u>-</u>	<u>-</u>	<u>2,223,256</u>	<u>15,259,476</u>	<u>-</u>	<u>17,482,732</u>	<u>19,378,505</u>
(510,779)	(128,696)	1,911,767	15,094,042	(6,411,809)	9,954,525	10,792,950
<u>997,811</u>	<u>272,312</u>	<u>982,892</u>	<u>-</u>	<u>9,293,671</u>	<u>11,546,686</u>	<u>12,674,306</u>
<u>\$ 487,032</u>	<u>\$ 143,616</u>	<u>\$ 2,894,659</u>	<u>\$ 15,094,042</u>	<u>\$ 2,881,862</u>	<u>\$ 21,501,211</u>	<u>\$ 23,467,256</u>

TOWN OF BUCKEYE, ARIZONA  
IMPACT FEES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Impact fees	\$ 10,700,000	\$ 8,993,920	\$ (1,706,080)
Investment earnings	-	159,460	159,460
Total Revenues	<u>10,700,000</u>	<u>9,153,380</u>	<u>(1,546,620)</u>
Expenditures			
Current			
General government	750,000	46,099	703,901
Public safety	4,856,000	2,852,839	2,003,161
Culture and recreation	4,338,000	160,084	4,177,916
Capital outlay	<u>756,000</u>	-	<u>756,000</u>
Total Expenditures	<u>10,700,000</u>	<u>3,059,022</u>	<u>7,640,978</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>6,094,358</u>	<u>6,094,358</u>
Other financing sources (uses)			
Proceeds from capital leases	-	<u>1,086,521</u>	<u>1,086,521</u>
Total other financing sources (uses)	<u>-</u>	<u>1,086,521</u>	<u>1,086,521</u>
Net change in fund balances	-	7,180,879	7,180,879
Fund balances, beginning of year	<u>-</u>	<u>1,834,748</u>	<u>1,834,748</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 9,015,627</u>	<u>\$ 9,015,627</u>



TOWN OF BUCKEYE, ARIZONA  
HURF FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ 711.571	\$ 826.457	\$ 114.886
Total Revenues	<u>711.571</u>	<u>826.457</u>	<u>114.886</u>
Expenditures			
Current			
Highways and streets	<u>1.642.021</u>	<u>1.454.491</u>	<u>187.530</u>
Total Expenditures	<u>1.642.021</u>	<u>1.454.491</u>	<u>187.530</u>
Excess of revenues over expenditures	<u>(930.450)</u>	<u>(628.034)</u>	<u>302.416</u>
Other financing sources (uses)			
Transfers in	930,450	930,444	(6)
Proceeds from capital leases	-	85,067	85,067
Total other financing sources (uses)	<u>930.450</u>	<u>1.015.511</u>	<u>85.061</u>
Net change in fund balances	-	387,477	387,477
Fund balances, beginning of year	-	<u>128.888</u>	<u>128.888</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 516.365</u>	<u>\$ 516.365</u>

TOWN OF BUCKEYE, ARIZONA  
GRANT PROGRAMS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	\$ <u>2,564,576</u>	\$ <u>577,994</u>	\$ <u>(1,986,582)</u>
Total Revenues	<u>2,564,576</u>	<u>577,994</u>	<u>(1,986,582)</u>
Expenditures			
Current			
General government	2,024,282	11,731	2,012,551
Public safety	313,702	188,424	125,278
Health and welfare	464,347	353,325	111,022
Capital outlay	<u>-</u>	<u>108,059</u>	<u>(108,059)</u>
Total Expenditures	<u>2,802,331</u>	<u>661,539</u>	<u>2,140,792</u>
Excess (deficiency) of revenues over expenditures	<u>(237,755)</u>	<u>(83,545)</u>	<u>154,210</u>
Other financing sources (uses)			
Transfers in	<u>237,755</u>	<u>237,756</u>	<u>1</u>
Total other financing sources (uses)	<u>237,755</u>	<u>237,756</u>	<u>1</u>
Net change in fund balances	-	154,211	154,211
Fund balances, beginning of year	<u>-</u>	<u>164,291</u>	<u>164,291</u>
Fund balances, end of year	\$ <u>-</u>	\$ <u>318,502</u>	\$ <u>318,502</u>

TOWN OF BUCKEYE, ARIZONA  
CEMETERY IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Investment earnings	\$ 3,500	\$ 22,250	\$ 18,750
Other	<u>17,500</u>	<u>23,470</u>	<u>5,970</u>
Total Revenues	<u>21,000</u>	<u>45,720</u>	<u>24,720</u>
Expenditures			
Current			
General government	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total Expenditures	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Excess (deficiency) of revenues over expenditures	(39,000)	45,720	84,720
Fund balances, beginning of year	<u>39,000</u>	<u>86,018</u>	<u>47,018</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 131,738</u>	<u>\$ 131,738</u>

TOWN OF BUCKEYE, ARIZONA  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
Property taxes	\$ 326,195	\$ 320,798	\$ (5,397)
Special assessments	433,368	831,265	397,897
Other	7,000	138,711	131,711
Total Revenues	<u>766,563</u>	<u>1,290,774</u>	<u>524,211</u>
Expenditures			
Current			
General government	4,400	64,321	(59,921)
Debt Service			
Principal retirement	338,686	510,000	(171,314)
Interest on long-term debt	843,712	1,183,695	(339,983)
Total Expenditures	<u>1,186,798</u>	<u>1,758,016</u>	<u>(571,218)</u>
Excess (deficiency) of revenues over expenditures	<u>(420,235)</u>	<u>(467,242)</u>	<u>(47,007)</u>
Other financing sources (uses)			
Transfers in	420,235	642,506	222,271
Total other financing sources (uses)	<u>420,235</u>	<u>642,506</u>	<u>222,271</u>
Net change in fund balances	-	175,264	175,264
Fund balances, beginning of year	-	713,384	713,384
Fund balances, end of year	<u>\$ -</u>	<u>\$ 888,648</u>	<u>\$ 888,648</u>



TOWN OF BUCKEYE, ARIZONA  
STREET IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Developer agreements	\$ -	\$ 426,304	\$ 426,304
Investment earnings	12,000	22,730	10,730
Other	<u>1,276,000</u>	<u>5,858</u>	<u>(1,270,142)</u>
Total Revenues	<u>1,288,000</u>	<u>454,892</u>	<u>(833,108)</u>
Expenditures			
Capital outlay	<u>1,888,000</u>	<u>965,671</u>	<u>922,329</u>
Total Expenditures	<u>1,888,000</u>	<u>965,671</u>	<u>922,329</u>
Excess (deficiency) of revenues over expenditures	(600,000)	(510,779)	89,221
Fund balances, beginning of year	<u>600,000</u>	<u>997,811</u>	<u>397,811</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 487,032</u>	<u>\$ 487,032</u>

TOWN OF BUCKEYE, ARIZONA  
HASSAYAMPA HYDROLOGIC STUDY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Developer agreements	\$ -	\$ 52,647	\$ 52,647
Total Revenues	<u>-</u>	<u>52,647</u>	<u>52,647</u>
Expenditures			
Capital outlay	<u>250,000</u>	<u>181,343</u>	<u>68,657</u>
Total Expenditures	<u>250,000</u>	<u>181,343</u>	<u>68,657</u>
Excess (deficiency) of revenues over expenditures	(250,000)	(128,696)	121,304
Fund balances, beginning of year	<u>250,000</u>	<u>272,312</u>	<u>22,312</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 143,616</u>	<u>\$ 143,616</u>

TOWN OF BUCKEYE, ARIZONA  
DOWNTOWN REVITALIZATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures			
Capital outlay	\$ <u>300.000</u>	\$ <u>311.489</u>	\$ <u>(11.489)</u>
Total Expenditures	<u>300.000</u>	<u>311.489</u>	<u>(11.489)</u>
Excess (deficiency) of revenues over expenditures	<u>(300.000)</u>	<u>(311.489)</u>	<u>(11.489)</u>
Other financing sources (uses)			
Transfers in	<u>900.000</u>	<u>2,223,256</u>	<u>1,323,256</u>
Total other financing sources (uses)	<u>900.000</u>	<u>2,223,256</u>	<u>1,323,256</u>
Net change in fund balances	600,000	1,911,767	1,311,767
Fund balances, beginning of year	<u>-</u>	<u>982,892</u>	<u>982,892</u>
Fund balances, end of year	\$ <u><u>600.000</u></u>	\$ <u><u>2,894,659</u></u>	\$ <u><u>2,294,659</u></u>

TOWN OF BUCKEYE, ARIZONA  
 BUCKEYE INFRASTRUCTURE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Developer agreements	\$ 3,500,000	\$ -	\$ (3,500,000)
Investment earnings	<u>30,000</u>	<u>390,321</u>	<u>360,321</u>
Total Revenues	<u>3,530,000</u>	<u>390,321</u>	<u>(3,139,679)</u>
Expenditures			
Capital outlay	<u>13,530,000</u>	<u>6,802,130</u>	<u>6,727,870</u>
Total Expenditures	<u>13,530,000</u>	<u>6,802,130</u>	<u>6,727,870</u>
Excess (deficiency) of revenues over expenditures	(10,000,000)	(6,411,809)	3,588,191
Fund balances, beginning of year	<u>10,000,000</u>	<u>9,293,671</u>	<u>(706,329)</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 2,881,862</u>	<u>\$ 2,881,862</u>



## STATISTICAL SECTION

This part of the Town of Buckeye, Arizona's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

### **Financial Trends**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

### **Revenue Capacity**

These schedules contain information to help readers assess the Town's most significant local revenue source, the sales tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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TOWN OF BUCKEYE, ARIZONA  
NET ASSETS BY COMPONENT  
LAST FOUR FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$ (38,203,688)	\$ (16,304,504)	\$ (10,645,987)	\$ 525,156
Restricted	24,983,401	11,305,501	9,137,217	29,423,493
Unrestricted	<u>32,918,866</u>	<u>30,034,064</u>	<u>41,982,201</u>	<u>67,966,221</u>
Total governmental activities net assets	<u>\$ 19,698,579</u>	<u>\$ 25,035,061</u>	<u>\$ 40,473,431</u>	<u>\$ 97,914,870</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 16,138,836	\$ 16,525,946	\$ 23,451,396	\$ 44,788,086
Unrestricted	<u>954,322</u>	<u>1,539,451</u>	<u>5,338,684</u>	<u>13,250,212</u>
Total business-type activities net assets	<u>\$ 17,093,158</u>	<u>\$ 18,065,397</u>	<u>\$ 28,790,080</u>	<u>\$ 58,038,298</u>
Primary government				
Invested in capital assets, net of related debt	\$ (22,064,852)	\$ 221,442	\$ 12,805,409	\$ 45,313,242
Restricted	24,983,401	11,305,501	9,137,217	29,423,493
Unrestricted	<u>33,873,188</u>	<u>31,573,515</u>	<u>47,320,885</u>	<u>81,216,433</u>
Total primary government net assets	<u>\$ 36,791,737</u>	<u>\$ 43,100,458</u>	<u>\$ 69,263,511</u>	<u>\$ 155,953,168</u>

Note: 2002-03 was the Town's first year to prepare government-wide financial statements.

TOWN OF BUCKEYE, ARIZONA  
CHANGES IN NET ASSETS  
LAST FOUR FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year		
	2003	2004	2005
<b>Expenses</b>			
Governmental activities:			
General government	\$ 13,168,857	\$ 5,807,491	\$ 7,470,451
Public safety	4,302,109	6,307,496	7,596,499
Highways and streets	190,359	547,656	2,783,879
Culture and recreation	655,082	719,905	1,125,571
Community development	500,983	690,513	1,295,799
Economic development	201,178	296,372	314,985
Health and welfare	475,126	528,061	501,760
Interest on long-term debt	980,188	3,582,729	3,821,751
Total governmental activities	<u>20,473,882</u>	<u>18,480,223</u>	<u>24,910,695</u>
Business-type activities			
Sewer	763,657	997,805	1,545,062
Water	1,032,111	1,639,192	1,871,838
Total business-type activities	<u>1,795,768</u>	<u>2,636,997</u>	<u>3,416,900</u>
Total primary government expenses	<u>\$ 22,269,650</u>	<u>\$ 21,117,220</u>	<u>\$ 28,327,595</u>
<b>Program Revenues</b>			
Governmental activities:			
Fines, fees and charges for services:			
General government	\$ 4,851,346	\$ 8,945,002	\$ 16,269,531
Public safety	512,435	1,446,479	2,751,021
Highways and streets	1,996,068	-	92,675
Culture and recreation	48,082	64,862	557,020
Interest on long-term debt	19,363,803	2,895,305	7,727,974
Operating grants and contributions	1,147,417	1,446,335	1,374,000
Capital grants and contributions	216,663	890,283	697,975
Total governmental activities program revenues	<u>28,135,814</u>	<u>15,688,266</u>	<u>29,470,196</u>
Business-type activities			
Charges for services:			
Sewer	5,254,403	2,081,298	6,313,309
Water	5,742,481	1,527,106	3,585,229
Capital grants and contributions	-	-	1,651,779
Total business-type activities program revenues	<u>10,996,884</u>	<u>3,608,404</u>	<u>11,550,317</u>
Total primary government program revenues	<u>\$ 39,132,698</u>	<u>\$ 19,296,670</u>	<u>\$ 41,020,513</u>



	Fiscal Year		
	2003	2004	2005
<b>Net (expense)/revenue</b>			
Governmental activities	\$ 7,661,932	\$ (2,791,957)	\$ 4,559,501
Business-type activities	9,201,116	971,407	8,133,417
Total primary government net expense	<u>\$ 16,863,048</u>	<u>\$ (1,820,550)</u>	<u>\$ 12,692,918</u>
			\$ 51,208,303
			<u>9,136,630</u>
			<u>\$ 60,344,933</u>
<b>General Revenues and Other Changes in Net Assets</b>			
Governmental activities:			
Taxes:			
Sales taxes	\$ 2,776,931	\$ 4,648,570	\$ 8,443,984
Property taxes	767,963	933,693	1,981,418
Franchise taxes	194,001	213,753	316,422
State revenue sharing	904,346	766,169	781,108
State sales tax revenue sharing	664,531	714,854	787,165
Auto licu tax revenue sharing	413,119	344,681	364,234
Grants and contributions not restricted	-	-	54,008
Investment earnings	2,240	231,127	533,612
Other	714,413	275,592	193,285
Transfers	(371,603)	-	(2,576,367)
Total governmental activities:	<u>6,065,941</u>	<u>8,128,439</u>	<u>10,878,869</u>
			<u>6,647,540</u>
Business-type activities:			
Investment earnings	-	832	14,899
Other	(41,600)	-	-
Transfers	371,603	-	2,576,367
Total business-type activities	<u>330,003</u>	<u>832</u>	<u>21,225,022</u>
Total primary government	<u>\$ 6,395,944</u>	<u>\$ 8,129,271</u>	<u>\$ 21,332,302</u>
			<u>\$ 27,979,842</u>
<b>Change in Net Assets</b>			
Governmental activities	\$ 13,727,873	\$ 5,336,482	\$ 15,438,370
Business-type activities	9,531,119	972,239	10,724,683
Total primary government	<u>\$ 23,258,992</u>	<u>\$ 6,308,721</u>	<u>\$ 26,163,053</u>
			<u>\$ 88,324,775</u>

Note: 2002-03 was the Town's first year to prepare government-wide financial statements.

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TOWN OF BUCKEYE, ARIZONA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ 7,767	\$ -	\$ -	\$ -
Unreserved	<u>553,848</u>	<u>430,785</u>	<u>1,265,870</u>	<u>1,759,467</u>	<u>1,162,571</u>	<u>933,495</u>	<u>4,564,538</u>	<u>7,543,808</u>	<u>11,876,979</u>	<u>19,867,167</u>
Total general fund	<u>\$ 553,848</u>	<u>\$ 430,785</u>	<u>\$ 1,265,870</u>	<u>\$ 1,759,467</u>	<u>\$ 1,162,571</u>	<u>\$ 3,433,495</u>	<u>\$ 4,572,305</u>	<u>\$ 7,543,808</u>	<u>\$ 11,876,979</u>	<u>\$ 19,867,167</u>
All other governmental funds										
Reserved	\$ (189,062)	\$ (337,270)	\$ (337,270)	\$ (433,059)	\$ (86,285)	\$ (84,873)	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	317,401	369,021	340,883	438,472	322,314	146,283	168,244	155,373	9,707,907	1,077,397
Debt service funds	-	-	-	-	-	-	4,023,556	3,565,729	4,635,218	10,146,769
Capital projects funds	<u>116,671</u>	<u>169,275</u>	<u>186,897</u>	<u>214,996</u>	<u>437,699</u>	<u>1,733,418</u>	<u>26,138,546</u>	<u>7,584,399</u>	<u>13,783,438</u>	<u>68,306,633</u>
Total all other governmental funds	<u>\$ 245,010</u>	<u>\$ 201,026</u>	<u>\$ 190,510</u>	<u>\$ 220,409</u>	<u>\$ 673,728</u>	<u>\$ 1,794,828</u>	<u>\$ 30,330,346</u>	<u>\$ 11,305,501</u>	<u>\$ 28,126,563</u>	<u>\$ 79,530,799</u>

TOWN OF BUCKEYE, ARIZONA  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Taxes	\$ 1,458,106	\$ 1,400,407	\$ 1,607,567	\$ 2,264,462	\$ 2,338,543	\$ 2,858,528	\$ 3,738,895	\$ 5,796,016	\$ 10,741,824	\$ 21,782,728
Intergovernmental	2,486,244	1,784,227	2,020,887	1,714,003	1,984,886	3,242,332	3,318,546	4,154,186	4,036,532	4,315,130
Fines and forfeitures	200,979	250,911	80,871	130,057	143,600	180,260	174,857	208,125	235,212	314,506
Licenses and permits	85,878	63,012	118,795	273,420	425,824	389,226	1,336,670	3,476,794	6,670,430	8,659,830
Charges for services	140,482	185,924	392,001	225,812	256,708	680,656	3,650,005	5,665,620	6,394,179	8,466,697
Developer agreements	-	-	-	-	-	-	-	-	-	6,871,489
Rents and royalties	232,406	192,135	22,560	12,079	8,679	31,766	137,297	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-	4,016,758	80,230
Impact fees	-	-	-	-	174,256	46,337	181,607	557,453	2,226,478	8,993,920
Special assessments	-	-	-	-	-	293,066	2,988,000	3,484,305	3,384,974	4,954,355
Investment earnings	27,188	23,711	18,030	72,816	95,066	111,428	2,240	231,127	533,612	3,175,954
Other	110,704	136,584	46,522	282,187	577,872	3,469,766	804,241	832,079	342,433	892,003
Total revenues	<u>4,741,987</u>	<u>4,036,911</u>	<u>4,307,233</u>	<u>4,974,836</u>	<u>6,005,434</u>	<u>11,303,365</u>	<u>16,332,358</u>	<u>24,405,705</u>	<u>38,582,432</u>	<u>68,506,842</u>
<b>Expenditures</b>										
General government	1,150,203	1,193,775	1,163,372	1,428,050	2,148,480	2,430,117	13,713,973	6,586,700	7,615,325	9,746,757
Public safety	1,126,866	1,242,426	1,266,842	1,576,371	2,634,101	3,744,882	4,485,658	6,261,515	10,030,568	13,900,619
Highways and streets	233,398	338,603	183,731	208,187	681,128	1,043,029	504,754	1,109,492	1,045,994	1,454,491
Culture and recreation	272,835	288,830	332,386	449,982	670,739	1,060,135	578,232	888,295	1,156,623	1,859,002
Community development	-	-	-	-	-	-	500,983	742,719	1,252,828	2,177,500
Economic development	-	-	-	-	-	-	195,557	238,342	253,255	234,138
Health and welfare	-	-	-	-	-	-	468,653	523,705	506,889	639,125
Capital outlay	1,223,024	733,344	261,187	418,760	17,984	3,360,220	5,350,764	19,830,926	24,167,195	38,328,897
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	236,850	235,000	265,000	265,000	300,000	330,000	569,000	929,000	1,862,000	3,100,000
Interest on long-term debt	172,062	171,980	141,488	124,770	108,842	556,972	1,519,533	3,582,729	5,165,347	6,626,100
Issuance costs	-	-	-	-	-	-	-	-	-	3,081,233
Total expenditures	<u>4,415,238</u>	<u>4,203,958</u>	<u>3,614,006</u>	<u>4,471,120</u>	<u>6,561,274</u>	<u>12,525,355</u>	<u>27,887,107</u>	<u>40,693,423</u>	<u>53,056,024</u>	<u>81,147,862</u>
Excess of revenues over (under) expenditures	<u>326,749</u>	<u>(167,047)</u>	<u>693,227</u>	<u>503,716</u>	<u>(555,840)</u>	<u>(1,221,990)</u>	<u>(11,554,749)</u>	<u>(16,287,718)</u>	<u>(14,473,592)</u>	<u>(12,641,020)</u>



	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other financing sources</b>										
Transfers in (uses)										
Transfers out	3,553	15,625	184,224	178,740	571,486	445,217	3,819,506	163,725	727,226	4,033,962
Premium on long-term debt issuance	(5,940)	(15,625)	(184,224)	(178,740)	(159,223)	(284,377)	(4,191,109)	(163,725)	(727,226)	(5,357,588)
Proceeds of long-term debt issuance	-	-	-	-	-	-	(1,106,250)	-	710,772	529,476
Proceeds from capital leases	-	-	-	-	-	4,453,174	42,475,000	-	33,250,000	71,978,000
Total other financing sources (uses)	(2,387)	-	-	-	-	-	79,752	234,376	1,622,053	1,310,998
Net change in fund balance	\$ 324,362	\$ (167,047)	\$ 693,227	\$ 503,716	\$ (143,577)	\$ 3,392,024	\$ 29,522,150	\$ (16,053,342)	\$ 21,109,233	\$ 59,853,828
Debt service as a percentage of noncapital expenditures	12.8 %	11.7 %	12.1 %	9.6 %	6.2 %	9.7 %	9.3 %	21.6 %	24.3 %	29.9 %

TOWN OF BUCKEYE, ARIZONA  
TAXABLE SALES BY CATEGORY  
LAST THREE CALENDAR YEARS  
(UNAUDITED)

Sales Category	Calendar Year		
	2004	2005	2006
Retail and Trade	\$ 569,738	\$ 1,786,637	\$ 2,121,864
Rental and Leasing	266,865	332,668	474,695
Restaurants and Bars	257,537	277,338	255,283
Hotels	5,698	25,587	36,369
Services	37,507	37,051	41,860
Mining	27,932	23,871	24,923
Construction	3,939,466	10,568,080	15,366,137
Transportation and Warehousing	1,621	2,227	2,904
Communication	216,054	329,160	474,282
All Other	64,333	80,455	103,383
Total	<u>\$ 5,386,751</u>	<u>\$ 13,463,074</u>	<u>\$ 18,901,700</u>
City sales tax rate	2.00 %	2.00 %	2.00 %

Source: Town Records.

Note: Information prior to 2003-04 was not available.

TOWN OF BUCKEYE, ARIZONA  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year</u>	<u>Town's Rate</u>	<u>Maricopa Road</u>	<u>County's Jail</u>	<u>Arizona State</u>	<u>Total</u>
1997	2.00 %	0.50 %	0.25 %	5.00 %	7.75 %
1998	2.00	0.50	0.25	5.00	7.75
1999	2.00	0.50	0.20	5.00	7.70
2000	2.00	0.50	0.20	5.00	7.70
2001	2.00	0.50	0.20	5.60	8.30
2002	2.00	0.50	0.20	5.60	8.30
2003	2.00	0.50	0.20	5.60	8.30
2004	2.00	0.50	0.20	5.60	8.30
2005	2.00	0.50	0.20	5.60	8.30
2006	2.00	0.50	0.20	5.60	8.30

Source: Arizona Department of Revenue.

TOWN OF BUCKEYE, ARIZONA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>Tax Year (Fiscal Year)</u>	<u>Assessment Type</u>	<u>Assessed Value</u>	<u>Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Taxable Assessed Value as a Percentage of Actual Value</u>
1997	Primary	N/A	N/A	N/A	N/A
(1998)	Secondary	N/A	N/A	N/A	N/A
1998	Primary	N/A	N/A	N/A	N/A
(1999)	Secondary	N/A	N/A	N/A	N/A
1999	Primary	\$ 25,623,044	\$ 1.0943	N/A	N/A
(2000)	Secondary	26,969,835	0.8082	N/A	N/A
2000	Primary	31,220,433	0.8981	N/A	N/A
(2001)	Secondary	33,175,256	0.6570	N/A	N/A
2001	Primary	39,937,874	0.5900	N/A	N/A
(2002)	Secondary	42,870,450	1.0800	N/A	N/A
2002	Primary	41,806,823	0.9776	N/A	N/A
(2003)	Secondary	46,996,103	0.6924	N/A	N/A
2003	Primary	51,727,246	0.9776	N/A	N/A
(2004)	Secondary	56,727,094	0.5725	N/A	N/A
2004	Primary	69,986,677	1.1461	N/A	N/A
(2005)	Secondary	81,842,158	0.4039	N/A	N/A
2005	Primary	103,168,348	1.2680	N/A	N/A
(2006)	Secondary	115,318,474	0.2829	N/A	N/A
2006	Primary	165,083,549	1.1657	N/A	N/A
(2007)	Secondary	193,594,069	0.1714	N/A	N/A

Source: County Assessor's Records.

N/A: Not available at time of printing.



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TOWN OF BUCKEYE, ARIZONA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(rate per \$1,000 of assessed value)  
(UNAUDITED)

Tax Year (Fiscal Year)		Assessment Types	Direct Rates		
			Basic Rate General Fund	General Obligation Debt Service	Total Direct Rate
Primary Tax Authority Number			04504	04501	
Secondary Tax Authority Number					
1997 (1998)	Primary Secondary		N/A	N/A	N/A
1998 (1999)	Primary Secondary		N/A	N/A	N/A
1999 (2000)	Primary Secondary		\$ 1.0943 -	- \$ 0.8082	\$ 1.9025
2000 (2001)	Primary Secondary		0.8981 -	- 0.6570	1.5551
2001 (2002)	Primary Secondary		0.5900 -	- 1.0800	1.6700
2002 (2003)	Primary Secondary		0.9776 -	- 0.6924	1.6700
2003 (2004)	Primary Secondary		0.9776 -	- 0.5725	1.5501
2004 (2005)	Primary Secondary		1.1461 -	- 0.4039	1.5500
2005 (2006)	Primary Secondary		1.2680 -	- 0.2829	1.5509
2006 (2007)	Primary Secondary		1.1657 -	- 0.1714	1.3371

# Overlapping Rates

Fiscal Year	Overlapping Rates																
	County Wide										School Districts						
	Special																
School Equalization	Maricopa County	Library District	Flood Control District	Fire District Assistance	Central AZ Water Conservation District	Maricopa Health Care District	Community College District	Buckeye Valley Rural Fire District	Wickenburg School District No. 9	Liberty School District No. 25	Arlington School District No. 47	Palo Verde School District No. 49	Morristown School District No. 75	Litchfield School District No. 79	Fisher School District No. 90	Buckeye School District No. 33	Buckeye Union High School No. 201
Primary Tax Authority Number																	
1997	P \$	0.5300	\$ 1.1265	-	-	-	-	11516	07009	05025	05047	05049	05075	05079	05090	05033	06201
	S -		0.1364	\$ 0.0421	\$ 0.3425	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	06201
1998	P	0.5300	1.1472	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	S -		0.1312	0.0421	0.3270	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	P	0.5217	1.8840	-	-	-	\$ 0.9741	-	4.7098	2.3524	2.2040	2.2191	5.8570	2.3097	\$ 0.1692	\$ 2.4954	\$ 2.1337
	S -		0.1085	0.0421	0.2858	-	0.1544	\$ 1.3693	2.1853	1.9973	0.4816	2.4502	-	2.9334	0.1059	2.1554	0.7171
2000	P	0.5123	1.1641	-	-	-	0.9691	-	4.6179	2.2552	1.9710	2.1619	5.7409	2.6218	0.2278	2.3195	2.2354
	S -		0.1152	0.0421	0.2534	-	0.1503	1.4207	1.9447	2.0767	0.4858	2.2408	-	2.5070	0.1261	1.8577	0.6071
2001	P	0.4974	1.1832	-	-	-	0.9583	-	4.7426	2.3396	1.9887	2.3069	7.0776	2.6058	0.2816	4.8806	2.6352
	S -		0.0876	0.0421	0.2319	-	0.1524	1.4141	1.3831	1.7580	0.4563	2.2538	-	2.2105	0.0225	1.5655	0.4888
2002	P	0.4889	1.2108	-	-	-	0.9634	-	5.6498	2.4978	2.1037	3.5036	6.8591	2.1339	0.4371	4.0315	2.6284
	S -		0.0800	0.0421	0.2119	-	0.1493	1.4233	1.3025	1.6420	0.4490	2.1557	-	2.1374	0.0313	1.5425	0.5316
2003	P	0.4717	1.2108	-	-	-	0.9410	-	3.9742	2.2612	1.7824	0.7949	6.4130	2.3752	0.4782	4.0077	1.9348
	S -		0.0700	0.0521	0.2119	-	0.1375	1.4156	2.4127	1.8290	0.4013	2.2086	-	1.8914	0.2949	1.3889	1.2094
2004	P	0.4560	1.2108	-	-	-	0.9211	-	5.9551	2.5021	1.0128	2.0692	6.5007	2.4999	0.6646	3.9725	2.4173
	S -		-	0.0521	0.2119	-	0.1161	1.5121	1.9547	1.5754	0.0819	0.9674	-	1.6074	0.5143	1.1582	1.1132
2005	P	0.4358	1.1971	-	-	-	0.8936	-	3.7253	2.2243	0.7910	2.3778	5.1671	1.8870	1.0046	4.1309	2.4454
	S -		-	0.0521	0.2119	0.1200	0.1379	1.9945	1.9800	1.7339	0.2272	0.9570	0.7605	1.4557	0.4471	1.0057	1.0908
2006	P	-	1.1794	-	-	-	0.8815	-	3.8318	2.3710	0.6633	2.6157	4.1736	2.0284	0.8045	5.9226	2.2124
	S -		-	0.0570	0.2047	0.1200	0.1831	1.9883	1.9164	1.6369	0.2132	0.7958	0.4436	1.2399	0.5512	1.7068	1.0802

Source: County Assessor's Records.

N/A: Not available at time of printing.

TOWN OF BUCKEYE, ARIZONA  
PRINCIPAL PROPERTY TAXPAYERS  
JUNE 30, 2006  
(UNAUDITED)

Taxpayer	2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Walmart Stores East Lp	\$ 15,962,563	1	13.84 %
Fidelity National Title Company Tr B176	9,406,930	2	8.16 %
Arizona Public Service Company	4,141,393	3	3.59 %
Qwest Corporation	2,210,036	4	1.92 %
Sbc Telecom	1,886,477	5	1.64 %
Southern California Edison Co (T&D)	1,586,043	6	1.38 %
El Paso Electric Co (T&D)	955,118	7	0.83 %
Dmb Verrado District Core I Llc/Dmb/Pb B	925,688	8	0.80 %
Schultz Homes Corporation	849,104	9	0.74 %
Chm Manufacturing West Inc	<u>728,557</u>	10	<u>-</u> %
	<u>\$ 38,651,909</u>		<u>32.90</u> %

Source: Maricopa County Assessor's Office.



TOWN OF BUCKEYE, ARIZONA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST EIGHT FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year</u>	<u>(1) Total Tax Levy</u>	<u>(2) Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>
1999	\$ 498,379	\$ 502,717	100.87 %	\$ -	\$ 502,717	100.87 %
2000	498,379	508,130	101.96	-	508,130	101.96
2001	498,379	453,300	90.95	-	453,300	90.95
2002	698,634	687,834	98.45	-	687,834	98.45
2003	734,093	767,963	104.61	-	767,963	104.61
2004	830,456	827,292	99.62	-	827,292	99.62
2005	1,132,687	1,132,686	100.00	74,005	1,206,691	106.53
2006	1,634,369	1,431,378	87.58	22,107	1,453,485	88.93

Source: (1) Maricopa County Assessor's Office.

(2) Town's Records.

TOWN OF BUCKEYE, ARIZONA  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Governmental Activities				Business-type Activities			Percentage of Personal Income	
	General Obligation Bonds	Improvement Bonds	Sales Tax (revenue) Bonds	Special Assessment Bonds	Capital Leases	Revenue Bonds	Capital Leases	Total Primary Government	Per Capita
1997	\$ 2,370,000	\$ -	\$ 595,000	\$ -	\$ -	\$ -	-	\$ 2,965,000	2.05 % \$ 597.78
1998	2,185,000	-	545,000	-	-	-	-	2,730,000	1.74 542.20
1999	1,985,000	-	495,000	-	-	-	-	2,480,000	1.05 340.66
2000	1,775,000	-	440,000	-	169,731	2,815,000	-	5,199,731	2.28 795.43
2001	1,550,000	-	380,000	-	1,406,697	2,815,000	-	6,151,697	1.63 577.62
2002	1,665,000	4,435,000	245,000	-	1,235,903	2,740,000	81,264	10,402,167	2.42 870.11
2003	1,405,000	4,235,000	170,000	42,441,000	1,020,639	2,660,000	80,270	52,011,909	10.78 3,981.01
2004	1,145,000	4,025,000	90,000	42,062,000	942,687	2,560,000	41,102	50,865,789	9.04 3,498.33
2005	880,000	3,805,000	9,400,000	64,625,000	2,043,667	2,460,000	9,766	83,223,433	9.96 4,004.98
2006	605,000	3,570,000	24,130,000	119,283,000	2,741,687	2,360,000	26,621	152,716,308	- * -

\* Information on personal income for these fiscal years was not available.

TOWN OF BUCKEYE, ARIZONA  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	General Obligation Bonds	Taxable Assessed Value of Property	Percentage of Taxable Assessed Value of Property	Population	Net General Obligation Bonded Debt Per Capita
1997	\$ 2,370,000	N/A	- %	4,960	\$ 477.82
1998	2,185,000	N/A	-	5,035	433.96
1999	1,985,000	N/A	-	7,280	272.66
2000	1,775,000	\$ 26,969,835	6.58	6,537	271.53
2001	1,550,000	33,175,256	4.67	10,650	145.54
2002	1,665,000	42,870,450	3.88	11,955	139.27
2003	1,405,000	46,996,103	2.99	13,065	107.54
2004	1,145,000	56,727,094	2.02	14,540	78.75
2005	880,000	81,842,158	1.08	20,780	42.35
2006	605,000	115,318,474	0.52	N/A	-

N/A: Not available at time of printing.

Notes: Details regarding the Town's outstanding debt can be found in the notes to the basic financial statements.

TOWN OF BUCKEYE, ARIZONA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2006  
(UNAUDITED)

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Maricopa County Community College District	\$ 392,680,000	0.3474 %	\$ 1,364,170
Town of Buckeye General Obligation	605,000	100.0000 %	605,000
Wickenburg School District No. 9	20,995,000	9.7256 %	2,041,890
Liberty School District No. 25	6,625,000	85.5549 %	5,668,012
Arlington School District No. 47	2,105,000	68.6686 %	1,445,474
Litchfield School District No. 79	14,350,000	25.9572 %	3,724,858
Buckeye School District No. 79	6,545,000	100.0000 %	6,545,000
Buckeye Union High School District No. 201	18,530,000	26.7606 %	<u>4,958,739</u>
Total direct and overlapping debt			<u>\$ 26,353,143</u>

Source: Arizona Department of Revenue Indebtedness Report and Maricopa County Assessor's Office.

- (1) The portion applicable to the Town of Buckeye, Arizona, was calculated on the ratio of secondary assessed valuation for fiscal year 2005-06.



TOWN OF BUCKEYE, ARIZONA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit	N/A	N/A	N/A	\$ 7,012,157	\$ 8,625,567	\$ 11,146,317	\$ 12,218,987	\$ 14,749,044	\$ 21,278,961	\$ 29,982,803
Total applicable to limit	-	-	-	2,040,000	1,925,000	1,665,000	1,405,000	1,145,000	880,000	605,000
Legal debt margin	\$ -	\$ -	\$ -	\$ 4,972,157	\$ 6,700,567	\$ 9,481,317	\$ 10,813,987	\$ 13,604,044	\$ 20,398,961	\$ 29,377,803
Total net debt applicable to the limit as a percentage of the debt limit	-	-	-	29.09	22.32	14.94	11.50	7.76	4.14	2.02

N/A: Not available at time of printing.

TOWN OF BUCKEYE, ARIZONA  
CALCULATION OF LEGAL DEBT MARGIN  
JUNE 30, 2006  
(UNAUDITED)

Net secondary assessed valuation		\$ <u>115,318,474</u>
Water, Sewer, Light, Parks, Open Space and Recreational Facility Bonds		
Debt limit - 20% of secondary net assessed valuation		\$ 23,063,695
Debt applicable to limit		
General obligation bonds outstanding	\$ 605,000	
Less amount set aside for repayment of debt	<u>-</u>	
Net debt applicable to limit		<u>605,000</u>
20% legal debt margin		<u>22,458,695</u>
All other general obligation bonds		
Debt limit - 6% of secondary net assessed valuation		6,919,108
Debt applicable to limit		
General obligation bonds outstanding	\$ -	
Less amount set aside for repayment of debt	<u>-</u>	
Net debt applicable to limit		<u>-</u>
All other general obligation bonds debt margin		<u>6,919,108</u>
Total legal debt margin		\$ <u>29,377,803</u>

Source: Maricopa County Assessor's Office.

TOWN OF BUCKEYE, ARIZONA  
 PLEDGED-REVENUE COVERAGE  
 CURRENT FISCAL YEAR  
 (UNAUDITED)

Fiscal Year	2005 Greater Arizona Development Authority (Infrastructure)						2006 Greater Arizona Development Authority (New Municipal Building)						Water and Sewer Revenue Bond (16" Pipe line)						
	Sales Tax Pledges (a)	Add: Transfers	Net Available	Debt Service Principal	Debt Service Interest	Coverage	Sales Tax Pledges (a)	Add: Transfers	Net Available	Debt Service Principal	Debt Service Interest	Coverage	Utilities Service Charges	Less: Operating Expenses	Add: Developer Agreements	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2006	\$ -	\$ 642,506	\$ 642,506	\$ -	\$ 642,506	1.00	\$ 290,025	\$ -	\$ 290,025	\$ -	\$ 290,025	1.00	\$ 6,276,494	\$ 6,010,430	\$ 101,319	\$ 367,383	\$ 100,000	\$ 136,894	1.55

(a): All amounts received by Town of Buckeye's Transaction Privilege Tax, The Arizona State as Buckeye State Transaction Privilege Tax, and Buckeye Urban Revenue Sharing are pledged as security for the Buckeye Agreement. However, only amounts needed are transferred to debt service funds. The Town of Buckeye's total Transaction Privilege Taxes for fiscal year ending June 30, 2006 totaled \$17,786,084.

TOWN OF BUCKEYE, ARIZONA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (2)</u>	<u>Arizona Unemployment Rate (3)</u>
1997	4,960	\$ 144,916,320	\$ 29,217	7.00 %
1998	5,035	156,573,395	31,097	6.30
1999	7,280	235,493,440	32,348	7.00
2000	6,537	228,200,133	34,909	4.20
2001	10,650	377,862,000	35,480	5.30
2002	11,955	429,997,440	35,968	7.10
2003	13,065	482,412,060	36,924	6.70
2004	14,540	562,770,700	38,705	5.60
2005	20,780	835,459,900	40,205	5.20
2006	N/A	N/A	N/A	4.60

Source: (1) Arizona Department of Economic Security thru the Arizona Workforce Informer.

Source: (2) Arizona Department of Economic Security based on Maricopa County's Average Wage Per Job.

Source: (3) Arizona Workforce Information, AZ Unemployment Statistic Program Special Report.



TOWN OF BUCKEYE, ARIZONA  
PRINCIPAL EMPLOYERS  
JUNE 30, 2006  
(UNAUDITED)

Employer	2006		
	Employees	Rank	Percentage of Total Town Employment (1)
Palo Verde Nuclear Plant	2,100	1	- %
Lewis Prison Complex	1,200	2	-
Wal-Mart	800	3	-
Juvenile Department of Corrections	265	4	-
Town of Buckeye	262	5	-
Schult Homes Inc.	250	6	-
Buckeye Elementary School District	230	7	-
Buckeye Union High School District	190	8	-
Rip Griffin's Truck	180	9	-
Wadsworth Golf Construction	<u>125</u>	10	<u>-</u>
	<u>5,602</u>		<u>-</u> %

Source: Arizona Industrial Directory and Arizona Services Directory.

(1) Information not available.

TOWN OF BUCKEYE, ARIZONA  
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 LAST THREE FISCAL YEARS  
 (UNAUDITED)

Function	Authorized Full-Time Equivalent Employees		
	2004	2005	2006
General Government			
Administration	3.00	3.00	8.00
Finance	7.00	9.00	14.00
Human resources	1.00	2.00	4.00
Information and technology	1.00	2.00	4.00
Municipal services	4.00	5.00	5.50
Public Safety			
Police	45.00	63.00	77.00
Fire	41.70	53.70	96.70
Highways and Streets			
Public works	19.00	26.00	39.00
Culture and Recreation			
Parks recreation	2.50	8.50	11.50
Library	4.00	4.00	7.00
Community Development			
Community development	9.00	17.00	26.00
Economic Development			
Economic development	3.00	3.00	3.50
Airport	1.00	1.00	1.50
Health and Welfare			
Social services	10.00	10.00	9.80
Utilities			
Water and Sewer	11.00	11.00	14.00
Total	<u>162.20</u>	<u>218.20</u>	<u>321.50</u>

Source: Town's 2007 adopted budget document.

Information prior to fiscal year 2004 was not available at time of printing.

TOWN OF BUCKEYE, ARIZONA  
OPERATING INDICATORS BY FUNCTION  
LAST THREE FISCAL YEARS  
(UNAUDITED)

Function	Fiscal Year		
	2004	2005	2006
General government			
Finance, invoices paid	6,187	6,094	7,697
Finance, payroll checks issued	17,589	20,378	21,410
Finance, business licenses processed	N/A	N/A	553
Finance, utility bills issued	22,467	42,388	66,746
Human resources, recruitment processed	N/A	N/A	10
Human resources, average days to fill vacancies	N/A	N/A	58.7
Information and technology, service requests received	1,988	3,652	5,478
Information and technology, supported network devices	117	395	584
Town's Clerk, public records request	N/A	113	459
Fleet management service requests	N/A	438	964
Public Safety			
Police, 911 calls received	N/A	8,690	10,428
Police, average respond time emergency calls	N/A	5:59	5:27
Police, total arrests	1,145	981	1,163
Fire, emergency responses	N/A	N/A	4,008
Fire, fires extinguished	N/A	N/A	521
Highways and Streets			
Public Works, streets resurfacing	N/A	3	40
Culture and recreation			
Parks recreation, acres maintained	37	37	62
Parks recreation, participants in programs	5,500	10,000	18,000
Library, visitors	48,578	49,582	52,500
Community Development			
Single family permits issued	2,384	3,872	4,583
Construction permits issued	3,646	5,321	6,674
Inspections conducted	N/A	80,000	102,788
Economic Development			
Airport, Av Gas serviced (in gallons)	23,516	38,459	41,020
Utilities			
Water and sewer, service connections	6,000	6,713	7,892
Water, service supplied (in million gallons)	648	1,157	5,894
Sewer, sewage treated (in million gallons/day)	0.503	0.654	0.982

Source: 2007 Budget Document and Departmental Statistical Reports.

N/A: Not available at time of printing.

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